THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

June 22, 1940

German Victory Aids U.S. Isolationists

An Editorial

China Watches Europe

BY HUBERT S. LIANG

Japan's Three Roads to Glory

BY JOHN AHLERS

The Aggressor's Airraid Bill

BY BINTZE K. CHANG

France Gives Up the Struggle

VOLUME 93 PRICE 50 CENTS (in China) NUMBER 4

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

LAWLESSNESS

To the Editor:

In the past ten years many independent nations have been invaded and raped and international law and ordered relations between nations have been violated.

It is undeniable that the Japanese seizure of Manchuria in 1931 started all this lawlessness.

That the critical situation now prevailing in Europe can be traced back to the beginning of chaos in the Far East, cannot be denied. Therefore, in order to re-establish peace and order in the world, the start should be made in the Far East.

Japan is earnestly wishing to participate in the European War. The Japanese militarists thought the Nazi invasion of Netherlands would provide opportunity for meddling in the Netherlands Indies. Japan even speculates how the Italian entrance in the war might be used to her advantage here. Japan would like to see the United States and the Soviet Union involved in Europe, since that might give Japan a free hand in the Pacific and East Asia. Therefore the conflict in the Far East cannot be separated from the war in Europe.

There are three fundamental elements which jeopardize Japan's ambitious program in the Far East: China's long-term resistance has resulted in Japan being stuck deep in the mud of the Yangtsze. The American Navy in the Pacific and the Great Bear in the North bar the ambitions of the Japanese warlords. These elements prevent the colonies of Britain, France, and Netherlands from being invaded by the the aggressor of the Orient.

The Japanese warlords started out to create the so-called "New Order in Asia," but it has resulted only in the violation of the peace of Asia and the world generally. Stabilization of Asia is supported by three pillars—China, America and Russia. Britain and France should have realized this fact earlier.

They thought China was a sleeping giant that couldn't be aroused, but the shock of Liukouchiao woke China up. China has not shrunk from her responsibilities. She has opposed the invader who disturbed world order. China knows that her resistance is appreciated by the peace-loving peoples and nations—particularly in the U.S.A. and U. S. S. R. which are closely connected with the Far Eastern situation. President Roosevelt's appeal for peace was the voice of million. Stalin's far-sighted diplomacy will serve as a threat to the invaders. We believe that these two countries will ultimately pull together and restore peace in Asia by giving the invader a strong blow.

China's resistance for three long years has caused Japan to suffer a succession of unprecedented crises. Millions of people in Japan are asking and demanding a quick ending of the war. But China is determined to fight on until final victory is achieved. It is only necessary for the other two pillars to carry out their responsibilities: (1) America should place an embargo on military materials to Japan; (2) Russia should refuse to negotiate any commercial or "demarcation" deals with Japan. Both America and Russia should continue to help China.

We hope that the friendly nations will realize the importance of China's resistance to ultimate world peace. By working in unison and with China, Japan's ultimate downfall is certain. The stabilization of the Far East will lead to the peace of the world.

Y. M. FINE
(Subscriber)

Eihsien, Anhwei,
June 6, 1940.

RUMORS Vs. FACTS

To the Editor:

As the European war grows more serious, the rumors grow wilder in Shanghai. Intelligent men recognize these rumors as coming from an interested source, a source which desires to bewilder the public and disturb peace and order as preparation for an excuse to carry out an ambitious plan.

We citizens should analyze carefully the developments in the world situation as they affect the present circumstances. The maintenance of the status quo in Shanghai is not merely a local problem, but an international problem which concerns all nations interested in the Far East. The United States has reiterated its policy toward the Far East —that the situation should remain unaltered. The United States has said in effect that it would not tolerate a change in the status quo in any circumstances. America has observed her neutralily thus far, both here and in Europe. So long as it is maintained it is impossible for any nation to take advantage of the situation to seize some other nation's interests in the Far East and that includes Shanghai.

We should trust the official declarations from authoritative sources and not be fooled by wild rumors.

BANKER

Shanghai, June 16, 1940.

PRICES IN THE WEST

To the Editor:

The **Kuo Min Kung Pao** here published the news that a silver dollar is worth six times the value of legal tender notes, but such transactions are prohibited.

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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Bus fares for a one-way trip from Chungking to Kweiyang now cost $48.80 and from Kweiyang to Kunming, $66.20. From Kweiyang to Liuchow the fare is $63.20. Freight rates figure out at about $1.26 a ton per kilometer transported. Dealers raise prices and give everybody a headache everytime something happens anywhere in the world. For example when the Germans started to invade Holland and Belgium, dealers here started to raise prices. Fortunately the Government is planning a sort of rationing system similar to that used by states at war.

It is now freely predicted that China must fight for another three years, in fact it was reported that Madame Chiang told an American reporter here that China certainly must fight another two years.

Chungking is now in the midst of the hot weather and 100 pounds of artificial ice costs about $7. One bottle of orange juice—from native oranges—sells for $1.10. All hope that there will be no suffering from malaria and other ailments this summer.

P.O.B.

Chungking, June 1, 1940.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, June 20, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$17.77

Demand buying rate on New York: U.S.$1.00—Sh.$17.20

Demand selling rate on London: £1.0.0—Sh.$62.95

Demand buying rate on London: £1.0.0—Sh.$60.47

AMERICAN STOCK AND COMMODITY QUOTATIONS

June 19, 1940

STOCKS

Amer. Locomotive	13⅝
Amer. Waterworks	8⅛
Anaconda Copper	21¼
Bethlehem Steel	77½
Chrysler	64⅝
Elec. Bond & Sh.	5¼
Gen. Motors	44¼
Goodyear T. & R.	15⅞
Gt. Nthrn. Rly., pfd.	21⅝
Lockheed Aircraft	26⅞
Mont. Ward	39½
N. Y. Central	11¾
Texas Corp	38⅛
U. S. Steel	53⅝

COMMODITIES

New York Cotton, July	10.34/34
New York Rubber, July	22.10/10
New York Hides, Sept.	10.45/45
Chicago Wheat, July	78½/78⅝
Chicago Corn, July	62/62
New York Sugar, No. 4, Sept.	1.05½B/06½A

B—Bid. A—Asked.

TYPEWRITERS, AUTOMOBILES Bought, Sold, Rented, Repaired & Rebuilt, HERMES BABY Dealers, Bartlett Yung Co., 132 Kiangse Road, Tel. 11875, Garage End of lane 749 Yu Yuen Road, Tel. 20349.

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COLLAPSE OF FRANCE STRENGTHENS ISOLATIONISTS—SPEEDS AMERICAN ARMS PROGRAM

THE collapse of France will have the undoubted effect of strengthening the position of those interests in the United States which favored an isolationist policy as opposed to those who favored active participation in the war on the side of the Allies.

But while the isolationists will be strengthened, this seeming reversal of the prevailing attitude will not benefit the position of Herr Hitler, because the American armament program will continue.

Unless Hitler succeeds in obtaining control of the French Navy, it is unlikely that the latest development in Europe will cause any alteration of fundamental American policies in Asia, or is likely to cause a transfer of any considerable portion of the U. S. Navy to the Atlantic. The President announced on June 12 that the U. S. Fleet would remain in the Pacific "indefinitely," but this statement was made prior to the collapse of the French Army. Should Hitler obtain control of the French Fleet, the pooling of the German, Italian and French navies would greatly enhance Hitler's chances in carrying the war to Great Britain.

The speeding up of the American armament program probably will prevent serious repercussions on U. S. business occasioned by the cancellation of large French war orders which had been placed with American manufacturers. It was reported that Great Britain had offered to take over French arms orders, but this report, like others, can have no weight until Britain's future course—in the face of the French collapse—has been determined.

Nazis in Shanghai, elated at developments in France, have assured the Chinese that Britain also will give up the struggle—possibly in a fortnight! Nazis also have assured their Chinese friends that as soon as Hitler has settled Europe, he will give his attention to settling the Far Eastern situation. In neither case is there to be a "peace conference" according to the Hitlerites, who state that Der Fuehrer will simply lay down the terms and that will settle everything—for a thousand years!

The German *Transocean* news service reported on Tuesday of this week that developments in France had created the greatest sensation in the U. S. A. since the outbreak of the war, causing hurried conferences between Secretary of State, Cordell Hull, Assistant Secretary, Sumner Welles and President Franklin D. Roosevelt. General Hugh Johnson, whose martial activities are now concerned with the conduct of a newspaper column, was quoted as declaring that Adolf Hitler "had outplanned, outthought, outguessed and outfought the Allied statesmen in every field in which they have met." Quoting Gen. Hugh Johnson, *Transocean* said, "France is gone, and Britain is about to follow. The same international immorality and the same suicide complex has been repeated by us. Let us keep out, for God's sake, in any case as long as we are not prepared." Quoting the German Foreign Office spokesman, *Transocean* stated that there had been no official declaration on the part of the Administration defining America's attitude—whether neutral or non-belligerent.

About the only yard-stick by which one may judge the magnitude of the American rearmament program, precipitated by the sensational developments in Europe, is that provided by cabled reports concerning the cost in dollars and cents. On June 15, President Roosevelt signed an appropriation bill providing for the expenditure of US$1,495,000,000 for rearmament. Of this sum US$105,000,000 will be used to build airplanes, and US$189,000,000 will be used to purchase necessary supplies for an army of a million men. On the same day the Senate Finance Committee approved a tax bill amounting to US$1,007,000,000 to finance the US$5,000,000,000 five-year national defence program. Secretary of the Treasury Henry W. Morgenthau predicted that the present expenditures concerned with armament would cause a deficit of US$3,350,000,000, despite the raising of US$1,000,000,000 expected from the armament taxes.

On June 12 President Roosevelt signed the Navy's US$1,400,000,000 appropriation bill for new ship construction. The bill authorizes the starting of work on two new 45,000-ton battleships and 20 other warships and auxiliaries. Other items include two 1700-ton destroyers, three 1500-ton submarines, two 3,200-ton

Grand Finale

Low in New York Times

Adolf Hitler: (addressing God) "You may have begun man—but I, Adolf Hitler, will finish him."

seaplane tenders and one 605-ton minesweeper, two 10,000-ton light cruisers, four 1700-ton destroyers and 3 submarines. In addition to this measure, already enacted into law, the House of Representatives on June 12 approved a further appropriation bill amounting to US$1,706,053,908 for new planes, tanks and warships. This appropriation will bring the total for the Army and Navy to US$5,021,619,622 for the coming fiscal year. This bill provides for 3,000 new army planes and 68 new combat ships for the Navy. It also provides for an unspecified number of tanks and other arms and an increase of personnel in the Army of 95,000 men bringing the total to 375,000 men. The new US$70,000,000 battleship North Carolina was scheduled for launching this week. According to *Reuter*, new naval construction will conclude 84 additional warships, embracing 3 airplane carriers, 12 cruisers, 41 destroyers, 26 submarines —amounting to an increase of 22% in the Fleet's present authorized strength, which is additional to the 11% expansion provided in the bill signed by the President on June 15.

While the United States contemplates no large transfer of warships, from the Pacific to the Atlantic, reports from Washington during the week indicated the possibility that a new Atlantic fleet consisting of new type warships, probably would be constructed from the new naval appropriations. Japanese newspapers, reported that the new Atlantic fleet—constructed on the possibility that Germany might destroy the British and French fleets—would consist of powerful 20,000 to 28,000-ton cruisers carrying 11-inch guns. The appropriation bill signed by President Roosevelt provided for an air force of 10,000 planes and 16,000 pilots. One item in the bill provided additional funds for speeding up the fortifications in Alaska and a provision for stationing a permanent Army garrison in the territory in addition to naval and air bases. Battallions of infantry and artillery will be stationed at Anchorage, according to H. Woodring, Secretary of War. The following chart, reproduced from *Newsweek* (May 27) gives an excellent summary of the country's past, present and proposed armed strength.:

America's Armed Strength—Past, Present, and Proposed

	1918-19	1940	*Projected* (*Approximate*)
ARMY			
Man power	4,000,000	491,900*	1,000,000
Rifles	3,200,000	2,240,000	2,435,000
Tanks	863	350	1,200
Cannon (75 mm.)	1,971	741	4,000
Trucks	85,000	27,150	130,000
Planes	7,800	2,900	40,000
NAVY			
Man power	587,646	183,040†	205,000†
Vessels!	910	624	700
(including battleships)	(1,869,299 tons)	(1,927,299 tons)	(2,342,423 tons)
Battleships	30	15	25
	(611,690 tons)	(464,300 tons)	(854,300 tons)
Planes	2,127	2,153	10,000

***Including Regulars and National Guard**
†Including Marines and Coast Buard

As a result of a recommendation by Admiral Harold R. Stark, Chief of U. S. Naval Operations, the House Naval Committee approved unanimously a recommendation that the United States immediately initiate a naval expansion program costing a further US$4,000,000,000, which would result in the doubling of the present fleet. As the situation stands at present, the Navy is completing an expansion program which will increase the strength of the fleet about 11%. In addition to this the President has signed another proposal to increase the fleet an additional 22%, the total increase being 33%. The new proposal of Admiral Stark would expand naval construction another 7%, which, added to the previous additions, would result in nearly doubling the size of the fleet. The foregoing tables does not include Admiral Stark's latest proposals.

Closed Gambling Dens Rumored to Reopen on Payment of $100,000 Each

THE long-discussed closure of gambling houses in the "badlands" district was finally put into effect on the night of Saturday, June 15—but when the excitement had died down it was discovered that those responsible for the closing act had overlooked two important places: the palatial China Club at 29 Tifeng Road and Farrens, 325 Great Western Road.

There were two explanations regarding the failure of the Japanese authorities to close the China Club—that it serves as headquarters for Wang Ching-wei politicians when they are in Shanghai; that the proprietors of the China Club paid somebody the sum of $100,000.

Failure of the Japanese to close Farrens, which also is located in territory controlled by the Japanese army was due, according to rumor, to the fact that the resort is patronized largely by foreigners and allegedly has some form of foreign protection. Of the two proprietors of Farrens, E. T. Riley, local slot-machine "king," is either an American or a Briton, while his partner, Joe Farren is a Hungarian. It was reported that Mr. Farren and a foreign attorney visited a high Japanese official, who provided him with a special license to continue in operation despite the closing order which affected the other resorts. Messrs. Riley and Farren are the only foreigners who have "muscled-in" on the gambling business since the Japanese occupied this area.

Since one gambling and opium-smoking joint, known as "Honeymoon," located at 42 Great Western Road, had already closed due to lack of patronage, the number affected by the latest shut down was nine, aside from a number of small places catering to coolies in Jessfield village.

Various rumors have been in circulation regarding the circumstances surrounding the Japanese action in closing the badlands resorts, the most significant being that the order to close originated in Tokyo and was conveyed to the Japanese military authorities here by special messenger, who arrived by plane from the Japanese Capital. The report that the Japanese authorities contemplated this action appeared in *The Review* on June 8 along with a list of the places to be closed and three "favored" places which were to be permitted to operate. Of the three (see Page 54, issue of June 8) only one, The China Club, has remained open. As stated in a previous reference to the China Club, it was regarded as successor to the Asia Club, which operated inside the International Settlement for more than a year without interference on the part of the police authorities—on the ground that it had Japanese protection. This however, was denied by the Japanese consular authorities, and the place closed after their attention had been called to the situation.

A special circumstance in connection with the closure action on the night of June 15, was the commandeering of all pistols in the possession of the gangsters who have provided "protection" to the various places. It was rumored that there were more than 2,000 of these armed gangsters, many of whom operated as robbers and hold-up men in their off-hours when they were not busy protecting gambling houses.

According to information provided by an assistant in one of the houses, the military police seized all of the pistols in the possession of the joints on the early morning of Sunday, June 16, following which the closure orders were issued. According to a report in *The China Press* derived from police circles, many of the resorts were visited by contingents of Japanese Gendarmes, who impressed upon the proprietors the fact that the orders were genuine and were not an attempt to collect back "taxes" as had occurred when previous closure orders had been issued. The impression prevails, however, that the closures are to be temporary and that all places may reopen shortly, as evidenced in the fact that the China Club and Farrens have been permitted to remain open. The proprietors of some of the closed resorts alleged that they had been informed—secretly—that they might be permitted to reopen, provided they handed over the sum of $100,000. As the officials refused to give any assurancess of future protection, even though the $100,000 was paid over, the proprictors, following a conference, decided to remain closed for the present.

Correction

The *China Weekly Review* received a communication on Thursday of this week, too late for publication in full in this issue, stating that an article published in our issue of June 15, (Page 89) was incorrect. The article referred to the opening of a gambling house, which allegedly had Japanese protection, at No. 82 Yates Road. Mr. Y. Torikawa, who signed the letter alleged that our article was incorrect and that the so-called "Finance Investigation Society," is a social club. The S. M. P. have maintained a cordon about the premises at 82 Yates Road for several days.

McMullen Tells S.A.S. Students

Allied Victory May Not Be Able To Save Democracy

IN a stirring address to the graduating class of the Shanghai American School at open air exercises held Thursday June 13 Dr. R. J. McMullen of the American Presbyterian Mission exhorted his listeners to carry on the fight for democracy throughout their coming years of college life because he pointed out democracy is no longer a matter to be taken for granted in the world. In the two nations now fighting for its preservation it had already been extinguished, he said and added: "It is doubtful whether the much cherished freedom of the democratic peoples will ever be fully restored to them."

In an earlier address delivered over the Hungjao cemetery graves of American World War veterans on May 30 Dr. McMullen had declared: "The day may not be distant when (the United States) will call on her sons to stand by those of her allies and dig their graves beside those of their fathers on Flanders Field.

A large throng of parents and friends attended the Thursday exercises last week to see the 22 members of the class of 1940 receive their diplomas.

Dr. McMullen's address follows in part:

"When we of the older generation think of the world into which we are sending you, our glory is turned into shame and we must pour contempt on all our pride. You go into a mess of a world, as your valedictorian has just stated, one where twenty million young men are under arms, where one-half of this number are now locked in the most ferocious struggle the world has ever known. Youth is expected to sacrifice itself in a war for which the older generation is responsible. The young people of the world are asked to go forth into a future maimed in body, bankrupt in estate and hardened in heart. Cruel indeed is the lot inherited by the world's youth from their forefathers.

"A larger proportion of the graduates of the Shanghai American School enter college than of most American schools. Each of you is looking forward to continuing your education. We sincerely hope that it may be possible for you to carry out this plan. You form a part of the more than two and a half million young people in America who this year will be eighteen years of age and of that favored seventh of these who will enter the Freshman classes of our universities this fall. May God grant that no call to arms may require you and your fellow-collegians to exchange a book for a gun, a classroom for a training camp, a laboratory for a battlefield.

"And yet we must recognize that this is democracy's darkest hour and that unless something is speedily done the "government of the people, for the people, and by the people" may perish from the earth. The armies of dictators who scoff at democracy as the delusion of weaklings are on the outskirts of Paris. So great is the efficiency of totalitarian states and their centralized control that even democratic England and France have found it necessary to compete with their enemies by giving even fuller power to their Prime Ministers than has been possessed by dictators. They have given up the last vestige of liberty and personal independence in order that they might meet fire with fire; force with force. It is doubtful whether the much cherished freedom of the democratic peoples will ever be fully restored to them. Even in America greater and greater powers are being bestowed upon our President even while we are supposedly neutral. And you may have to live through a period where American youth will be regimented as never before and where little security is given to you in life, liberty or the pursuit of happiness.

"As Americans we are proud of our traditions, we are loyal to our ideals, we believe in democracy and only unwillingness to live in a world devoid of freedom can drive us into war with any nation. Yet recent events in Europe have taught us that these blessings can not be retained by those who recline on flowery beds of neutrality. It is necessary that old and young alike be willing to sacrifice personal liberty and personal possessions in order to secure the privilege of living in a world of goodwill and mutual service. Had the generations before you been willing to make greater sacrifices of their right as rugged individuals to acquire a fortune and live at ease regardless of the income or welfare of their neighbors, the present catastrophe might have been averted. As you study the history of the past generation we hope that you will find wherein we have failed and will nobly resolve that you will remedy the evils and promote every program that shall seek to establish justice and insure domestic tranquility, provide for the common defence, promote the general welfare and secure blessings of liberty to ourselves and our posterity.

"I do not hold to the verbal inspiration of the Declaration of Independence, or to the Constitution of the United States, nor even to the doctrine of infallibility of the courts that have explained what these are supposed to mean. I hold that youth today has a right to study the conditions under which we live just as much as did our founding fathers, and as you live in a more chaotic world than did they, it may be that you will be called upon to work out new experiments even as did they. Little right have we of the older generation to point with pride to what we have wrought in the world and refuse the coming generation the right to change it. Through the years gone by, the conception of democracy has already changed from that of a political expedient to that of a way of living. Many today are convinced that democracy is not so much a way of getting along without a king as it is a way of getting along with each other. Someone has spoken of it as the "interdependent living of independent lives." That we have not yet reached this ideal is proclaimed by the eight million unemployed in America today. It is evidenced by the well attested fact that half of the families in the nation receive an income of less than $1050 per year whereas on the 1929 basis of possible production the average income per family could be $4500. America has been the happy hunting ground of the rugged individual but less so the scene of victories in cooperative living. Our goal must be not only to live but to let live. It has been best expressed by Jesus in His description of the Kingdom of God. We recall some of its principles—Love your neighbor as yourself—Do unto others as you would have them do unto you, —He is greatest who serves best. We have much to change in personal attitude and in governmental policies before this ideal can be attained.

"You young people go forth to participate in a most important undertaking, that of making America really democratic. It will not be easy but very urgent. You doubtless are eager to take your part at once. But each of you is to enter college this fall. You may be there for four years but you must not wait four years to do your bit to democratize America. This you can begin in college by making the college more democratic. Some of you may enter institutions where the chief regulation is to remember what is taught and to do what is told. Democratic processes do not function within offices or classrooms. There is little chance for a student to express himself on any problem and almost no opportunity to learn to be efficient citizens of a democracy by participation in the making of the laws or in determining the conditions under which they live in college. Unless American institutions of higher learning can resist the influence of pressure groups to uphold the status quo, these institutions will remain the slaves of a static society. We can look forward not to a better and brighter day under changed conditions but to history repeating itself and bigger and better wars, not only between nations but between races and classes as well.

"This does not mean that you are to become radicals and insist that as students you should do only as you please in college. You would find this very uninteresting. A story is told of the little daughter of a Columbia University professor. She attended a very progressive school where student interest determined everything. One day she was found weeping in school and when asked the cause replied, "Teacher must I do just what I want all day, again today?"

"Your forebears have made grievous mistakes as is so vividly evidenced by the present world situation and no loyalty to things as they have been will make them right. Yet surely somebody has learned some lesson in the school of experience. You should fully appreciate the blessings that have come down to us and truly desire to conserve all that is good in our heritage. Your immediate task then is in college not to uproot and destroy by precipitate or radical action but by constructive methods to cooperate with all concerned for making desirable changes. You should seek not to overthrow the dictatorship of faculty by dictatorship of student but seek ways and means of promoting cooperation between faculty and students for the welfare of all.

"You are to think then of your college life as really living and not as simply preparation for life. You learn to live by living and this should influence you in every phase of your life while in college, curricula and extra curricula, town and gown. Your selection of courses should not be so narrow and regimented as to fail to give the broad training that one must have in order to be able to make wise decisions as to world affairs. It has been said that a Ph.D. is one who has learned more and more about less and less until he knows all about nothing. We need concentration on specific tasks and depend upon discovery for progress but after all we are not machines. When you graduate you should not be an efficient machine but a person fitted to cooperate with others in deciding what is best for all and in discovering the best way of attaining it. Do not then give yourself entirely to one little part of a field but seek opportunities to emphasize what is known as general education, as that which is best fitted to develop you as worthy members of a democratic society.

"This should also influence the methods you should seek to promote in the class room. In most universities today far too large a use is made of the lecture method which has been described as a way by which the notes from a teacher's notebook get into the student's notebook without in any way affecting the mind of either. Original thinking, cooperative research, forum and panel discussions should be helpful in enabling you to learn to work together in discovering the basic facts and in making intelligent decisions.

"In conclusion let me warn you that this task of making more truly democratic the colleges is by no means an easy one. It will require all your enthusiasm, idealism and optimism. Have ever that faith in God which gave Jesus confidence even on the cross. Don't lose your way in the blackout of our present world. While others die to preserve democracy you have a chance in college to live for democracy and through your college experiences to be fully prepared not only to preserve democracy but to make our democracy worth preserving. Thus you will be doing your part in making the world really safe for real democracy. In this noble task we bid you Godspeed."

Japan's Armies Try to End China War While Tokyo Statesmen Look for New Fields to Conquer

THE ratio of Japanese aggression in the Far East has grown inversely to the progressive failure of the Allied armies on European battlefields. During the past week the ever more tenuous hold of non-Asiatic powers on Asia, has been threatened in several indirect ways and the only preventative to overt action has been Japanese fear of the United States. That fear since the Vandenberg declaration in favor of rapprochement with the Island Empire, is diminishing.

In what direction the French capitulation influences Japanese policy will depend upon whether the United States feels herself able to act in the Pacific.

For a long time now Japanese cabinets have kept their power on the understanding that a "speedy termination of the China incident" was the primary goal to be attained. The Yonai cabinet has been in office more than five months but it was not until the end of May that Japanese planes set out on daily raids over Chungking and western China with the avowed intention of bombing the resistance out of the Chinese people. It was only on the day following Italy's entry into the war that Japanese troops occupied Ichang on the Yangtsze. Why? The Japanese airraids could not be carried on effectively until the advent of spring weather true, but it took Japanese troops no more than 10 days to march almost 100 miles through hostile country and capture Ichang, a feat which could conceivably have been accomplished months ago.

Whether this tardy activity ushered in a new and vigorous Japanese military policy because of a breakdown in rumored peace talks between Tokyo and Chungking, or whether the pursuers of Bushido determined suddenly to attempt a quick ending of the war in order to take advantage of a propitious European situation, may never be known.

One thing is certain. The Yonai cabinet found itself suddenly pressed to snatch opportunity from the confused world situation. Early in June the cabinet was faced with crisis. Its most extreme member the Fascist Fusanosuke Kuhara demanded that the pro-Allied cabinet resign and give way to men who would follow Japan's manifest destiny of expansion to the South by reviving the dormant Axis partnership ties. Admiral Yonai stuck and it was Mr. Kuhara who quit but his public stand was one answer to the latter-day activity of the Japanese army in China.

As usual the army which has been in control of Japanese policies for some time past, is itself split on the subject of where to grab at opportunity. There seems to be so much of it about for the grabbing that the problem offers serious difficulties. The least extreme branch of the militarists wants to take matters in due course. These are the men who have staked Japan's resources on a successful outcome to the establishment of their new order in East Asia. It is this group which has instilled new vitality into the China campaign and which is determined to conclude the campaign satisfactorily regardless of the home government.

Preparing the Motives

Birmingham Age-Herald

With this goal in view the Central China armies have started on the road toward a state of semi-independence from home financing similar to that of the truculent Kwantung army in Manchukuo. To fill the bellies of the battling Japanese horde for the next few months, the army has estimated 7,500,000 piculs of rice are essential. Every effort is being bent toward amassing this store in Shanghai godowns. Last week almost

half the goal was said to have been reached and complaining farmers from Shanghai's hinterland brought tales of woe to market with their deplected stocks. It seems the Japanese gendarmerie has been confiscating half of all Shanghai-bound rice cargoes at prices far below those prevailing. From the country too came reports that Japanese agents are buying stocks up wherever possible.

But the adamant policy of the Central China Army envisages grabbing other opportunity too when no extra danger is envolved. The first conceivable opportunity, and the easiest, are the foreign concessions in China. It was a Japanese report, circulated June 5, that the French were considering a surrender to the United States of their privileges in the Shanghai French Concession. This was followed by very convincing denials from the two foreign powers but the matter set off a train of gunpowder which has not yet reached the magazine. On Saturday June 8 Tang Liang-li official of the Japanese operated Nanking Regime, declared in a verbose statement that his government would seek to secure the early return of the foreign concessions.

On Monday June 10, Italy entered the European fray and on Wednesday Nanking demanded the voluntary withdrawal of all European belligerent troops and warships stationed in China "In order to maintain peace and order and also to protect the lives and property of Chinese in the area." Furthermore the demand included a statement that the Nanking regime would not recognize transfer by a belligerent power of its rights and interests in China to the government of any other foreign nation.

A daily "withdrawal and retrocession" blast from papers like the Japanese army organ *Sin Shun Pao* has abetted this demand and observers grow increasingly nervous in the knowledge that during the past year the Japanese, who previously had little practical knowledge of the working of the International Settlement governmental machine, have honeycombed the municipality with their observers in positions as "additional" officers in every department from River Police and Customs to Council and Health.

As each day brings news of more German triumphs it eggs the Japanese on to new boldness. On Saturday June 15 Mayor Fu Siao-en of the encircling Chinese municipality of greater Shanghai, told the local press in words markedly similar to those used in the Nanking communique, that the belligerent powers should withdraw their forces from the Shanghai concessions. He too, added that no transfer of "extrality" rights from one foreign power to another would be tolerated. Formal demand that European troops be withdrawn was made by the Mayor to the Consuls-General of the three belligerents Wednesday.

The Mayor's earlier demand came at an opportune time. Two days previously a couple of French Annamite police clashed with a party of Ta Tao Police at Avenue Haig and Rue Frelupt. Bullets flew in the excitement and the Annamites were detained a few moments in a Ta Tao station. French officials with the aid of the Mayor settled the matter before it had even reached the French Consul-General's ears but it was an example of just what the Nanking Regime had foreboded and of what the Mayor himself was about to warn against. The National government's attitude towards the concessions was summed up briefly in an editorial by the *National Herald* which hardened its readers against any Japanese intrigue aimed at furthering the "New Order" by grabbing the Settlements. The paper said: "We should at all times be on the alert against plottings by evil influences and prevent them from creating estrangements among the Powers interested in Shanghai."

Further afield matters were progressing in similar fashion. A *Domei* despatch from Canton on June 13 said reliable sources had informed the Japanese authorities there of French Ambassador Cosme's declaration in an interview with Gen. Chiang Kai-shek that while Indo-China was ostensibly a neutral territory, heavy shipments of war materials were in reality continually pouring into China over the Yunnan railway. Whether or not the French official said anything of the sort, the report was seized upon by the Japanese army as evidence of the French Government's pro-Chungking attitude.

Then on June 17, the day of France's surrender, came a report from the headquarters of Japan's south China army at Canton that, "French Indo-China apparently is persisting in her anti-Japanese policy by letting the transit of arms go on through her territory to China . . . If she refuses to reconsider herself, the Japanese army must wean French Indo-China away from hostility toward Japan . . " And from Hainan Island at the same time came news that large Japanese forces are assembling for an attack on the Indo-China port of Haiphong.

Japan's interest does not stop at Indo-China however. On June 12 Siam signed a treaty of friendship with her great neighbor, a treaty strangely reminiscent of those other non-aggression pacts which seem to have been the inevitable precursors to invasion of small European countries by their powerful "allies" during the past few years. The following day two similar treaties were concluded between Siam and France and Great Britain.

On that same Thurdsay which preceded the fall of Paris, Tokyo announced receipt of news that an incident had occurred in a sphere of Japanese economic interest further south. A Japanese fishing boat had been fired on by Dutch patrol vessels near Java. No one was harmed and apparently the matter was quickly settled but the Giamusho immediately took a serious view of the matter and when the facts were subsequently confirmed, lodged a vigorous protest with the Dutch Government.

Still another report which emanated from the direction of the Indies on that day alleged the landing of British troops in the Islands. This was flatly denied on June 14 by the Dutch and British authorities.

Coincidental with these two incidents came the announcement that Admiral Kichisaburo Nomura, former Japanese Foreign Minister would leave Tokyo July 10 for a visit to the Philippines and the Dutch Indies. A Gaimusho spokesman promptly denied the trip was in any way connected with the Government but a reliable report from Tokyo said that Admiral would have heart to heart conversations with the Governor-General of the Indies and would explain in full what Japan meant by maintenance of the *status quo* of the islands.

The single conclusion to which these various widely dispersed incidents and activities point, is that Japan is gathering her forces for a blitzkrieg spring, perhaps diplomatically; perhaps in a military way.

There are two factions in the Empire today. Neither is democratic in feeling but each sees the destiny of the nation to best advantage on one side of the European fence or the other. The statement by Senator Vandenberg, the man who first proposed abrogation of the U.S.-Japan trade treaty, that a new rapprochement be sought with the trans-Pacific aggressor, has been used differently by both Japanese camps. The great industrialists would prefer peace with the United States and a remunerative war trade with Europe.

The manner in which the extremists will use it was manifested by the Japanese Navy spokesman Rear-Admiral Masao Kanazawa when he told foreign correspondents in Tokyo on June 13 it was "clear as day" that the Japanese could not be in a responsive mood to American gestures of amity unless the United States opened her eyes to the realities in the Far East and fully cooperated with Japan in constructing a new order in East Asia.

Three Courses Lie Open for Japan to 'Cash-in' on the European War

BY JOHN AHLERS

THE China war is about to enter upon its fourth Year, and the European war is well advanced into its tenth month without Japan having been able to cash in on it to any appreciable extent. Certain small advantages, it is true, Japan has derived from the fight in the Old World. British and French opposition to her designs in China—as well as Franco-British assistance granted the Chinese National Government, have weakened. London and Paris are seriously considering some working arrangement with Japan, showing preparedness to pay some price for continued Nipponese neutrality in their conflict and an even larger one for eventual Japanese help. The European war gave Japan a somewhat freer hand in China and made possible, among other enterprises, the invasion of Kwangsi. A few Nipponese export industries have been able to increase their sales in markets deserted by European suppliers, and Japanese shipping has seized the former leading place of British shipping along the China coast.

These advantages, however, are but small as compared with the huge benefits Japan derived from the first Great War, or with others she hoped to obtain almost automatically from another Great War. Furthermore, the advantages gained are largely offset by certain substantial disadvantages resulting from the European war: the loss of the German market and of German machinery; the disruption of numerous lines of Japanese trade and other business with the Allied countries due to their new war problems and economic controls; the depreciation of the yen in the wake of the British pound. Just at a time when Japan considered making another determined effort to decrease her economic dependence upon the United States by strengthening her commercial intercourse with other countries, Europe failed her, and to-day she is more dependent upon America than ever. Finally, Germany's westward move freed the hands of Russia which renders China decisive assistance, and the bear now looms larger than ever as an enigmatic threat over the northwestern horizons of Dai Nippon's sphere of power.

There is today widespread disappointment in all expansionist circles in Japan over the Tokyo Government's failure to take greater advantage of the European war. This disappointment is finding expression in rapidly increasing dissatisfaction with the Yonai Cabinet. The general feeling in Japan's fighting forces, secret extremist societies, and big business is that any European war of the present magnitude should automatically place Japan in a favorable position to secure extraordinary advantages. Opinions vary as to what gains from the European war would seem to be the most preferable, but there gradually arises a consensus of opinion to the effect that a continued passive wait-and-see policy on the part of Japan is unlikely to yield any such advantages, and that some sort of positive action should be taken to cash in on the European war.

No serious consideration of these problems is possible without reference to the economic and financial situation of Japan. Indeed, it is chiefly the telling effects of the China war upon that situation which so far has prevented Japan from taking active steps to profit from the European war. If Japan today were still in the position she enjoyed in the early summer of 1937 when she embarked upon the China war, and if she still commanded those economic and financial resources which at that time were at her disposal, she would hardly hesitate to assume an active policy as regards the European fighting.

As things are, her hands are bound to an unprecedented extent. No serious new action on her part is to be expected before she will have harvested her agricultural crops this year and thus relieved her precarious foodstuff position. At the present moment, Japan proper is short of food; there are bread queus lining up daily before all the rice and flour shops in Korea and Manchuria, too; the Empire's new conquered territories in China proper equally suffer from food shortage. And Dai Nippon does not yet know whether this year her traditional foodstuff self-sufficiency will be restored, or whether adverse atmospheric conditions, lack of rural labor and shortage of fertilizers will not confront her with another and worse year of food shortage.

This is by no means the only economic consideration which makes the Tokyo Government reluctant to act. With great difficulty only, Japan for the past two years has been able to produce or to import, respectively, all the military supplies she needed to continue her military enterprise in China. The effort she has made in this direction today leaves her with critical economic and financial conditions to face at home. Her peace-time industries have had to curtail production sharply and her supply of consumption goods is persistently declining to an extent seriously alarming the Japanese masses. On the other hand Japan has been unable to maintain the rapid pace of expansion which her heavy and chemical industries showed up to the middle of last year. The operation of Japan's munitions industries during the past twelve months has slowed down markedly, and her industrial growth and materials mobilization plans admittedly have had to be restricted more than once. The industrialization of Manchuria has been restricted, too, and large-scaled economic development of Japan's new China conquests have been altogether postponed. The Nipponese financial world is in the throes of serious inflation which feeds on the country's economic and financial substance, while the raising of more war funds and of new industrial capital meets with ever increasing difficulties.

The long-expected European war "chance" is facing Japan at a period when her economic and financial resources are so heavily strained that China has good prospects of finally exhausting the resources of the Empire by continued resistance for another couple of years. This is what so far has prevented Japan from seizing her chance and exploiting to the full the European belligerents' preoccupation with their home defense. This also is, in particular, what makes it so difficult for Nippon to choose among the various chances which the European war would appear to hold out to her. These chances seem to be three in number, but they are incompatible with each other. Japan will have to seize one of them and discard the other two. Two of these chances, belligerent in nature, involve very serious risks without the overwhelming probability of success. The third chance is a peaceful one involving no risks while holding out large and certain profits to the taker. This third chance, however, demands the immediate writing-off of expansionist aspirations dominating Japan in the recent past and is therefore, the least likely to appeal to the fighting forces of Japan. All three chances have to be considered most carefully in their economic and financial aspects.

The first chance is that of the Japanese Army. Tokyo might formally relinquish all immediate expansionist aspirations outside China, assume a sympathetic attitude towards the Allies, ask in return the abandonment of

all Allied assistance to China and concentrate upon the defeat of the Chinese National Government's armies. Japan thus would avail herself of the European war merely as a welcome opportunity to attempt the victorious completion of the China war. Wide circles in the Japanese Army certainly recommend action in this direction. The United States would be unlikely to go to war with Japan over this, though Washington may be expected to further tighten the restriction on shipments of American supplies to Dai Nippon.

The second chance is that of the Japanese Navy. Tokyo might decide to throw in Japan's fate with Germany and Italy and to launch a direct onslaught against various Far Eastern possessions of the Allies. In this case the one major asset of Japan which has not yet been tapped seriously by the requirements of the China war would be brought into play: the Navy. The Nipponese Navy with its landing forces should possess sufficient strength to undertake, with good chances for success, an attack upon, for instance, British Hongkong, French Indo-China, or Anglo-Netherlands Borneo, not to mention a large number of Allied island possessions in the Outer Pacific Ocean.

The Japanese fighting forces certainly dispose of very substantial reserves not only of arms and munitions but also of coal, fuel oil and other supplies. A considerable portion of these supplies doubtless has been earmarked for disposal by the Kwantung Army in case of a major clash with Russia, but there should be enough other supply reserves to permit either the Japanese Army or the Japanese Navy to strike some major blow somewhere. There also still is a possibility of further decreasing civilian consumption in Japan proper, and of increasing instead the output of war materials and other supplies required for a new effort of the country's fighting forces. However, it would not appear that Japan today can face either a new naval enterprise, or any large-scaled extension of the China war which might increase her war requirements in goods and money for years to come. It would seem that Japan would have to undertake something that would promise definite results within a comparatively short period of some six months, and of certainly not more than another year.

Tokyo will realize that neither the conquest of still larger parts of China nor a seizure of Hongkong, Tongking or Borneo, or of both, would extend Japan's sources of supplies in goods she lacks. The past three years proved that China conquests devour more Japanese supplies than they yield Chinese supplies to Japan. Hongkong itself produces little and entirely depends on its transit trade. Borneo, it is true, is rich in oil, and oil is the chief foreign supply which the Nipponese lack. Should the Japanese Navy manage, however, to seize the oil centers of Balikpapan and Tarakan in Borneo, the Dutch certainly would blow up the wells and refineries. Quarters well informed on the subject assert that all necessary preparations for such an emergency have been made, and that the destruction of the Borneo wells would prevent their exploitation for at least two years. Since a Japanese onslaught against Borneo or other Allied territory would certainly bring about at least a full anti-Japanese embargo on the part of the United States, the Japanese instead of getting oil by conquest would be cut off from their present chief sources of oil supply.

The resources of Netherlands Java, British Malaya and French Indo-China, it is true, are manifold and might greatly assist the Japanese if conquered by the latter. An attack upon these countries, however, could not be carried out by the Japanese Navy alone but would require the co-operation of large units of the Japanese Army since these countries are defended by strong land forces. A Japanese military expedition against these countries would constitute a major long-term enterprise for which Japan would not appear to dispose at the present time of the necessary economic and financial resources, not to talk of probable American counteraction. Japan would not even seem to have resources sufficient to greatly intensify, at the same time, her China war and to launch an attack against the outer possessions of the Netherlands Indies. She will have to choose between giving her Army or her Navy the European war chance. Invocation of the one would require the abandonment of the other.

There is no certainty that the choice of the one or the other of these chances would bestow upon Japan lasting advantages. The Japanese Army may still be unable to conquer China even if the Chinese were left entirely to themselves, and Nipponese naval adventures against third countries may result in failure or disaster. Japan, however, enjoys a third European war chance which is not a belligerent one, which involves no risks but promises sure gains instead. If the Japanese military could be brought to consent to liquidate its China war enterprise, thus relieving Japan of the heavy strain exercised by that enterprise upon her economic and financial resources, and if Japan then turned to play the part of Number One war profiteer by economically cooperating with the Allies, she would be able to literally cash in on the European war on a truly large scale. There is no doubt that this is the choice which Nipponese big business would prefer. But there is not much likelihood that, with the present distribution of political power in Japan, the interests of big Business will prevail over the Army's and Navy's more belligerent conceptions of Japan's true interests.

U. S. Chinese Protest Against S. F. Immigration Service

THE Chinese General Headquarters in San Francisco, or to use the native name, the Chung Wah Jong Woey Koon, located on Stockton Street, has lodged a serious complaint at Washington regarding the harsh treatment given Chinese American citizens in going to and returning from the Far East. The organization claims that the action of the San Francisco Immigration Service is driving about US$1,000,000 worth of business annually away from the Chinese colony, which is the leading place of interest for tourists on the Coast.

The heads of the Six Companies, which virtually control Chinese business in the United States, claim that Chinese American citizens from various parts of the United States, who previously travelled to China and returned through San Francisco, now use other ports due to treatment they received at San Francisco. Previously 90% of Chinese travel passed through San Francisco, but it has now dropped to about 5%. It was claimed that other ports treat Chinese with more consideration and are getting the business.

B. S. Fong, leader of the Six-Company organization, said that in addition to the complaint sent to the Commissioner of Immigration at Washington, the organization planned a national publicity campaign to acquaint the public with the situation in the hope that pressure may be brought to rectify the situation at San Francisco. The Six-Company organization at San Francisco now has about 75,000 members. It grew out of the Chinese Merchants' Exchange, organized originally in 1865. The association at first included representatives from family associations from each of six districts in Kwangtung Province. A seventh family representative was added later, but it still carries the "Six-Company" name. Each group has a chairman who serves on the Central Committee. The seven Chairmen rotate as president of the consolidated organization, according to the numerical strength of their individual unit. The present head of the Central group is Chow Tong, chairman of the Sam Yup Benevolent Association, replacing B. S. Fong.

According to an account in *Business Week*, May 11, it is the first time the Chinese organization has engaged in national publicity to voice its problems.

It was reported elsewhere that the Six Companies had practically financed China's exhibit at the San Francisco Exposition, after it was found that the Chinese Government would not be able to undertake the work because of the Japanese invasion.

What Should China Do About the Situation in Europe?

BY HUBERT S. LIANG

DESPITE recent disconcerting developments the outcome of the European war will largely, very largely, depend upon the understanding and relationship between Germany and the U. S. S. R. Developments of the past few weeks have served to accentuate this significant fact. It would be a mistake to regard the present war in Europe or indeed any modern war in purely and exclusively military terms. Thus, despite the dazzling successes of the German Army during recent weeks, culminating in the collapse of France, it would be unwise to jump too hastily to the conclusion that Germany is to emerge the final victor in this war. She stands, however, a good chance of winning temporarily at least, if any one of the following alternatives can be realized:

(1) If she can succeed in permanently dividing England and France.

(2) If she can keep U. S. A. neutral.

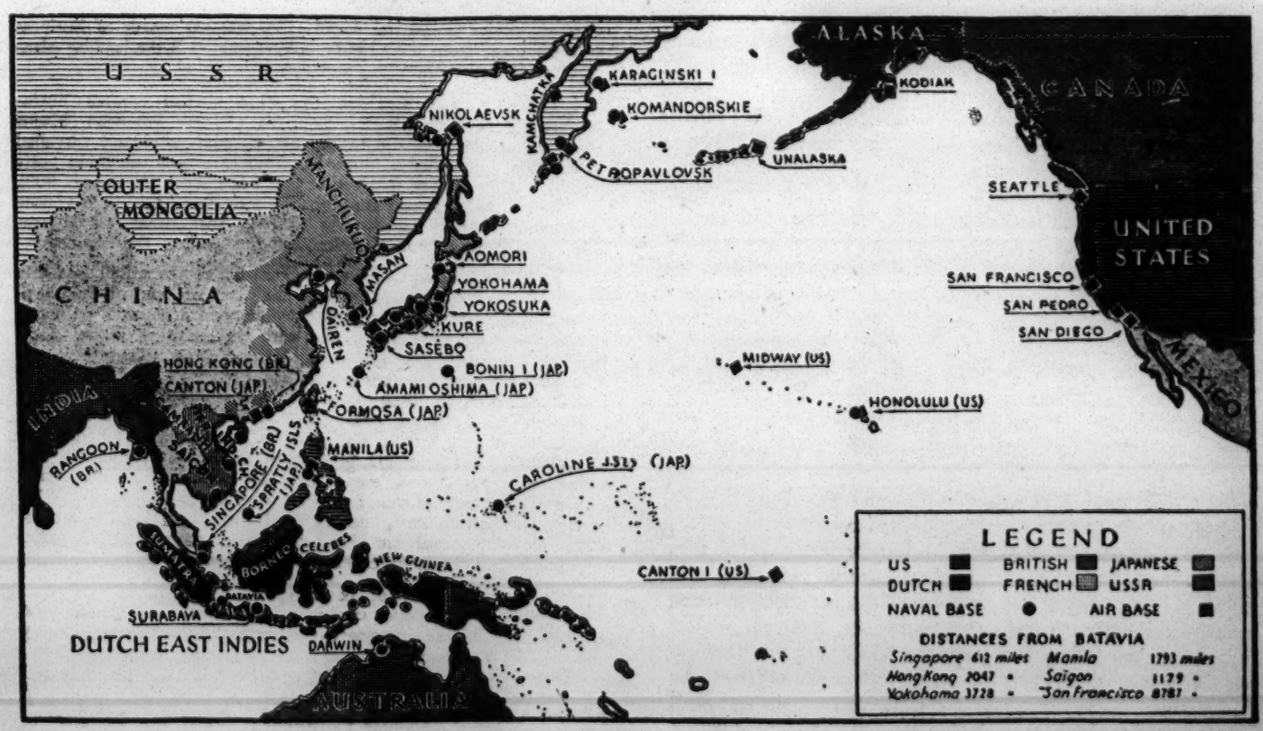
(3) If she can keep the U. S. S. R. more or less, preferably more, on her side.

Alternative No. 1 is in the laps of the War Gods. Germany is undoubtedly offering France an "honorable" peace if France will cut her ties with England. Has not Germany declared again and again that it is England and not France that she is fighting? Conceivably, Germany can say to England that if she would allow her to keep the gains which she has already made on the continent she will call a halt to her advance and will seek to compose her differences with England through negotiations. Whether or not this sort of "divide-and-rule" strategy will succeed it is clearly the strategy for Germany to employ. And who can say what is impossible in modern world politics or for that matter any politics?

Alternative No. 2—The U. S. A. is neutral in name but unneutral in reality. Her sympathies, sentiments and actions on the part of both her government and people are largely on the side of the Allies. Even so Germany is exerting every effort to counteract this tendency and just as surely the Allies, especially Great Britain, are trying to do exactly the opposite. So there is today a tug-of-war going on in the United States, a war of propaganda and diplomatic manuevers.

Alternative No. 3—This I regard as the most important if not the decisive factor in the whole European situation, namely, the relationship between Germany and Soviet Russia. If German can succeed in keeping the U. S. S. R. on her side and if possible to an increasing degree, then the war in Europe is surely to be a prolonged one even assuming that the United States joins in on the side of the Allies. But how about Soviet Russia? I believe she will try to keep herself in a somewhat neutral position as she is doing today and will try to keep herself out of the actual fighting if she can at all help it. It must be remembered of course that Russia was driven rather by necessity than by choice into her present arrangement with Germany. For Stalin it was the choice between two undesirables—Hitler or Chamberlain. Conceivably it would not be to Soviet Russia's long-range interests to have too powerful a Germany in Europe. If so, then why shouldn't Great Britain try to do something to swing Soviet Russia around and detach her from Germany? This is precisely what Britain is trying to do. There must be more than ordinary or passing significance in the diplomatic negotiations that are now going on between Great Britain and the U. S. S. R. and in a war such as is going on in Europe today moves on the diplomatic front are just as important, if not more important than moves on the military front. I believe that if Great Britain could succeed in swinging Soviet Russia around and away from Germany, the ultimate German defeat in this war would then be almost a certainty. Of course

If America Enters the War, Will It Start Here?



Newsweek Map by McLaughlin.

the situation is not as simple as it sounds. In order to swing Soviet Russia around and detach her from Germany, the Allies would have to be ready to pay a tremendous price, a price not only in terms of assurances and guarantees but also in terms of vast and drastic internal changes in the British Empire. So even if this rapproachement could be consummated, namely the rapproachement of more than a temporary nature between Great Britain on the one hand and Soviet Russia on the other, it would likely take considerable time. Hence my speculation of a fairly prolonged war in Europe, a war which may easily last three to five years.

Now a word about Italy. She clearly sat on the fence and chose the side of the highest bidder and the most likely winner. In any case Italy's role cannot be a decisive one, although it had much to do with the collapse of France.

Let us return to the United States of America. With American sentiments and actions so largely on the side of the Allies already it will be difficult if not impossible for her to keep out of the war. However, it is improbable that she will act decisively before the next election. If America joins it will be after the inauguration of the next president or maybe the re-inauguration of the present occupant of the White House. So unless the European war ends in the meantime, which is extremely unlikely unless England follows France it seems only a matter of time before the U.S. joins in the struggle.

For my part I would infinitely prefer to see America, if she has to join in the war at all, join in the Far East-rather than in Europe. I firmly believe that if somehow America could manage to "crack down" on Japan there would be an immediately salutary effect on the war in Europe in favor of the Allies. And it would be about the best and most effective thing that America could do for the sake of her own long-range national interests, for the sake of Democracy and for the sake of a lasting world peace. *Peace is indivisible, so is aggression.* Had the Democracies taken a decisive, far-sighted and courageous stand against Japanese invasion of Manchuria in 1931 and later the invasion of the whole of China they would not perhaps have to face what they are facing today. And who can say America will not have to fight Japan two, three, four or five years from now if Japan is not effectively checked today?

Coming closer home to the Far East, what will Japan do in the face of the European situation? From all indications she will intensify her drive, military, political, economic and propagandistic, on China in the hope of cowing or manuevering the present National Government into submission or surrender. If she could get away with some kind of "peace" with China then her hands would be free to do some of the larger things which she has in mind such as the taking of Hongkong, Indo-China, Dutch East Indies, Singapore and the Philippines. This may sound a bit fantastic but in view of recent happenings in Europe let us not underestimate an enemy, actual or potential, and lightly exclude all this from the realm of possibility. The only restraining influence on Japan today is the United States, especially in the Pacific. If America's hands are tied in Europe Japan will then, ipso facto, be given a prétty free hand in the Far East. Hence my contention if America joins in the war at all she should join in the Far East and should, as President Franklin D. Roosevelt recently intimated, adopt the tactic of defensive by offensive. And an embargo on Japan is certainly the first logical step in that defensive-by-offensive tactic.

What is China going to do? In reply I would quote the remarks of a highly respected foreign diplomat to whom the same question was put and who answered in the following concise and effective manner: "She should fight Japan like hell." So all this talk about peace is nonsense.. How can there be peace as long as Japanese troops are on Chinese soil? Equally, it is nonsense to talk about conflicting ideologies or isms. How can there be any ideology or ism left for the Chinese to choose if the Japanese succeed in taking permanent hold of the country? China's one mortal enemy is Japan. And her one great and urgent task now is how to concentrate all her resources and strength to fight this enemy until all her troops are completely cleared off the Chinese soil.

I note that some friends strongly recommend that China remain neutral no matter what happens in the European situation. I do not quite share this view. I believe China should join in the war should the time come for her to do so. But in choosing which side to join her one guiding principle should be on the opposite side of imperalistic, militaristic and rapacious Japan!

And it requires no elaboration on my part to explain which side Japan has espoused already. Japan has been on the side of the dictators since the war started —in fact it is more correct to say that the European War actually started when Japan invaded China's northeastern provinces jn the fall of 1931. Recently, Japan has been imitating the "blitzkreig" style of warfare in her activities on the Upper Yangtsze and while the actual terms of the Tokyo-Berlin-Rome "alliance" are not known, few intelligent persons doubt its existence.

European War Causes Desperate Fuel Crisis in Shanghai

Recent action of the Hongkong authorities in suspending shipping services between Shanghai-Hongkong and India has precipitated a fuel crisis in Shanghai which may result in the closing down of the city's major industries and utilities. Owing to Japan's continued commandeering of practically all available coal supplies in north China, including most of the output of the Kailan Administration's mines at Tangshan, it has been necessary for Shanghai's public utilities and major industries to obtain coal from Calcutta, India. As a result, coal prices which previously averaged well under $20 a ton, now exceed $200 a ton and still are mounting. The recent annual report of Shanghai Power Company stated that it had been necessary to purchase coal at exorbitant prices due to the exchange situation, from such distant places as United States, Africa and India. The amount of money which the Company expended for coal had jumped from $343,161.70 in 1935 to $7,303,571.19 in 1939.

Prior to the outbreak of Sino-Japanese hostilities Shanghai obtained most of its coal from the mines of the British Kailan Mining Administration at Tangshan and Chinwangtao, north of Tientsin. Due to Japanese pressure these supplies were diverted to feed the war industires of Japan, resulting in a coal famine here which has become increasingly serious. Most of the coal brought to Shanghai from India has been transported in the ships of Moller's Ltd., a leading British shipping company, which is affected by the recent Hongkong rulling.

France Gives Up the Struggle Against Germany After Paris Falls; Red Troops Occupy Baltic States

The German-Italian peace terms according to a *United Press* despatch published here June 20, will include measures of military security based on territorial reparation and the following main points:

1. The handing over to the Axis Powers of France's gold and foreign credits. 2. The handing over to the Axis Powers of gold credits held in France and belonging to all states who declared war against Germany—England, Poland, Norway, Denmark, Holland, Belgium. 3. The handing over of all French raw materials or materials used in war industries, and oil, copper and manganese. 4. The guarantee that France would recommence her normal industrial activity and send workers back to all evacuated industrial centers. 5. The guarantee that all French industrial, economic, commercial and financial means would be used in a continental blockade against England.

ADDING one more item—and the most important and significant thus far—to the long list of "surprises" which has has unrolled during World War II, France this week capitulated to Germany after her armies had crumpled under the long-sustained German offensive and showed themselves incapable of further effective resistance. Great Britain and her Empire have been left to face the Nazi military tide alone. As Mr. Churchill put it in the House of Commons on June 18, the Battle of France is over—the Battle of England is about to begin.

A series of rapidly-moving events preceded the French decision to call a halt to the struggle. On June 13, hard on the heels of retreating French troops, the Germans pushed forward to occupy Paris, which the French Government had proclaimed an open city in order to avoid its destruction. Announcement that it was an open city was conveyed to the German Government by Mr. William C. Bullitt, American Ambassador to France, who stayed to observe the occupation of the French capital, which, he reported later, was effected in an orderly manner. French troops had withdrawn below the Seine River.

The French Government of M. Paul Reynaud had previously transferred its seat to Tours and then to Bordeaux. There the Cabinet went into almost continuous session under the chairmanship of President Albert Lebrun. First outcome of the sessions was a message sent by Premier Reynaud to President Roosevelt on June 13, requesting urgent additional material assistance in the shape of planes and guns and munitions. President Roosevelt replied on June 15, promising that the United States would "redouble its efforts" to furnish the Allies with planes and munitions as long as the French Army continued to resist. He added, however, that these statements carried no implication of military commitments, which could only be made by Congress.

The desperate position of the French, whose armies were in full flight below Paris, was clearly emphasized in the Reynaud message. Said the French Premier: "We need waves and waves of planes from the United States." To this he added the warning, significant of of developments to come, that there would be no sense in continuing the struggle unless France could perceive the possibility of victory.

On June 17 events moved with lightning rapidity. Premier Reynaud and his Cabinet resigned and a decidedly Rightist government, with the 84-year-old Marshal Henri Philippe Petain as Premier, took its place at Bordeaux. Petain's first act was to sue for peace. In a public statement he said: "It is with a heavy heart that I say we must cease fighting. I have applied to our opponent to ask him if he is ready to sign with us.

The Outstretched Hand

Baltimore Sun and Editor and Publisher.

This cartoon, by Edmund Duffy, won for its creator the Pulitzer prize of US$500 for the best cartoon of the year. The figure is that of Hitler, grasping in one hand a number of torn treaties, while the other outstretched hand is labeled "Peace Offer." In the foreground are minorities whose rights have been trampeled on.

Through an interesting coincidence, the Pulitzer Price of US$500 for distinguished editorial writing, awarded to Bart B. Howard of the *St. Louis Post Dispatch*, was for an editorial similarly concerned with the activities of the Nazi dictator. The editorial headed, "Europe's Emperor," said that the "Massive memory of Bismark shrivels in the blazing sun of Hitler's conquests. The former won by 'blood and iron,' utilizing intrigue as a preface. The latter wins by stratsgy and conference, fortified by force, to be sure, and punctuated by the threat of marching armies ....Schuschnigg is summoned to Berchtesgeden for an afternoon in the torture chamber, and Austria is expunged from the map while Vienna becomes Berlin's scrubwoman. How many a plotting hour ticked secretly across the clock as Hitler suggested and Henlein acquiesced may only be surmised...." The editorial appeared on March 17, 1939.

as between soldiers after the fight, and in honor, the means to put an end to hostilities."

At this writing, there has been no reply to these representations. Chancellor Hitler and Premier Mussolini have met at Munich to consider Marshal Petain's request and it is probable that the German terms will be known before these lines appear in print. There seems little doubt but that Hitler will insist on a complete French surrender. Without a doubt, Alsace-Lorraine will return once more to Germany, while it is rumored that Nice, Savoy and Corsica will go to Italy. As regards the French colonies, political speculators say that after Germany has taken a generous share, Italy will receive part of Algeria, while Spain will get part of Morocco. French possessions in the Far East, it is believed, will be reserved for Japan, including the colony of Indo-China. However, it is one thing for Hitler to divide up the French Empire on paper—quite another for the Axis partners to take physical possession of the separate parts. Japan may be able to take Indo-China, but Italy is likely to have difficulties in taking over her share.

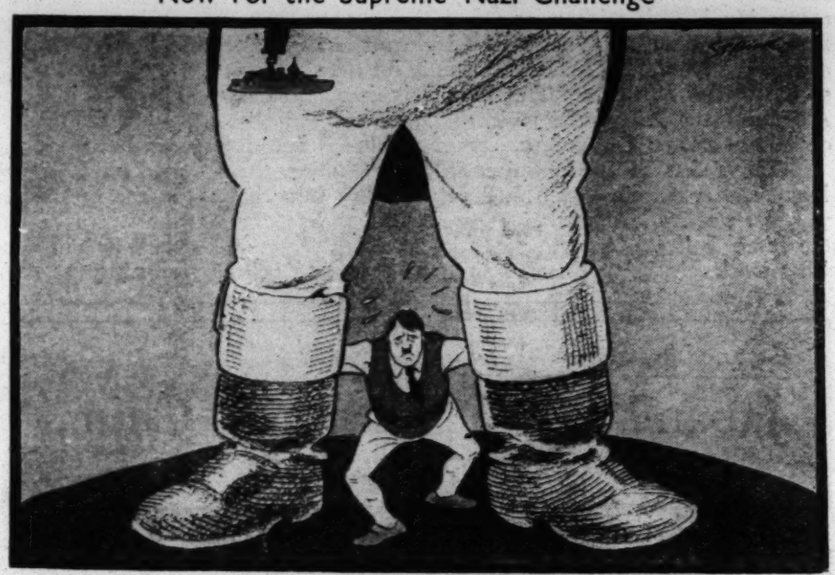
There still exists, of course, the possibility that the French Government will refuse the humiliating terms which Hitler and Mussolini are expected to offer and that fighting of a sort will continue for some time to come on French soil. It will be impossible unless more British troops are sent to France. Prime Minister Churchill admitted that only three British divisions were in France this week, thus confirming our earlier surmise that Britain was devoting her main attention to preparing the defense of the British Isles. The paucity of British military assistance is undoubtedly one of the factors which brought on the French collapse and which caused the French Government to decline a last-minute British offer of "indissoluble union" with France under a single government and with dual citizenship for the nationals of both countries.

The French Government probably calculated that such a union would seriously prejudice the chances of securing an "honorable peace" with Germany and that in any case, in the absence of weighty military assistance which the British had shown no disposition to send after the Flanders disaster, further resistance would be hopeless. The British, in proposing an Anglo-French Union, doubtless were inspired by the desire to salvage all they could from the fast-approaching military debacle in France. The French Government, instead of making peace with Germany, would emigrate to London, take the French navy and air force with it, and the French Empire would remain juridically intact.

Marshal Petain, chosen by destiny to effect his country's peace with the Nazis, is notable for other things besides the fact that he was the "Hero of Verdun" in the last World War. Anything but a democrat, he has always been known for his reactionary tendencies. In ahe twenties he brought "freedom tnd democracy" to the Riffs in North Africa—with bomb, machinegun and bayonet—in the course of a joint military campaign with General Francisco Franco, now the fascist dictator of Spain and a political intimate of Hitler and Mussolini, who helped him to power. When France recognized General Franco's barbarous regime, Marshal Petain was chosen as the Ambassador to Madrid because of his close personal ties with the Spanish dictator. He continued to occupy that post until summoned to Paris to advise the Reynaud government a few weeks ago. It is perhaps fitting that France, on the eve of submitting to the Nazis, should have as government head a man of Petain's inclinations and associations.

With the Nazi troops at the gates of Paris, fascist Spain, doubtless acting in concert with the other Axis powers, moved troops into the international zone at Tangiers (Morocco) thus rounding out her north African possession and getting control of the vital point which faces the Straits of Gibraltar. This move was explained in Madrid as motivated by "the desire to prevent a coup by any one of the belligerent forces in the zone." Spain's coup may yet prove of great value to Italy in her war against Britain in the Mediterranean.

Now For the Supreme Nazi Challenge



Strube in New York Times

Another minor Axis victory—this time in the diplomatic sphere—was recorded on June 14 when Germany concluded a new trade agreement with Turkey providing for an annual exchange fo 21,000,000 Turkish pounds worth of goods. This is undoubtedly a blow at the Allied blockade of Germany and tends to contradict the mutual assistance pact signed some time ago between Turkey and the Allies. Time will show its true significance. It would seem, however, that German military victories have persuaded Turkey of the wisdom of improving her relations with the Reich regardless of the feelings of the Allies. Unless the military tide in Europe soon takes a turn, it is to be expected that Britain will find herself without a friend in that part of the world.

Nazi victories are also having visible effects on the policies of Soviet Russia. Last week-end Soviet troops marched into Lithuania, Esthonia and Latvia to occupy key points in those countries after presentation of the usual ultimata. In the case of Lithuania, Moscow alleged violations of the Soviet-Lithuanian mutual assistance pact. President Smetona fled abroad and the Soviet troops set up a new government even more subservient to Moscow than its predecessor had been. The Baltic States are now completely under Soviet military domination and the question may be asked: Why has Stalin deemed it necessary to push out the western borders of the U.S.S.R. in the North? Obviously not against any Allied threat, which is unthinkable in the circumstances ces. Fear of Hitler is the answer. With France lying prostrate, the Kremlin dictator believes—there has been

considerable talk along these lines—that Hitler may launch a new peace offensive and succeed.

If Britain and Germany were to bury the hatchet on the basis, say, of the return of the former German colonies)—it might conceivably be buried in the U.S.S.R. It is just this possibility that Stalin fears. It is against just this possibility that he is making his present military dispositions. The possibility, however, is remote, if Churchill's speeches are a true key to the present British temper. There might, of course, ensue something resembling a stalemate. If Britain sits tight on her little island and attempts nothing more by way of an offensive than sporadic bombing raids over Germany, Hitler may refrain from attempting to invade England, contenting himself with merely returning the explosive British compliments. The factor which, more than any other, will determine Hitler's decision is the effectiveness of the British blockade. If, indeed, it is as effective as Allied propaganda proclaims it to be, Hitler will be obliged to assault England by every means in his power.

The defeat of France raises in lively fashion the long-debated question of United States' entry into the war as an active belligerent. France is lost, at least for the time being. Can America do anything beyond what is already being done to turn the scale and help England to win? This is a moot point. In an interview with Karl Von Wiegand, *INS* correspondent, at his headquarters last week, Chancellor Hitler denied that he had any territorial aspirations in the Americas and scouted the idea of a German invasion of the Western Hemisphere. President Roosevelt discounted this oblique pledge by referring to Germany's numerous broken pledges with regard to other countries.

The isolationist view was expressed very forcibly on June 15 by Col. Charles Lindbergh, noted American aviator, in a broadcast to the nation. Said he: "We demand that foreign nations refrain from interfering in the affairs of our hemisphere. But we are constantly interfering in the affairs of Europe . . . We are doing the same thing to France and Britain that those countries did to Czechoslovakia, Poland, Finland and Norway. We are encouraging them with offers of help which we are unable to give . . . This course, if pursued, will bring us into a terrible and unsuccessful war . . . We must recognize the fact, although it is disagreeable, that perhaps before we would be able actively to intervene in the European War, the German army might control the whole of Europe . . . We would need an army of millions and hundreds of thousands of airplanes before crossing the Atlantic."

Cost and Results

Japan's Air Operation in China

BY BINTZE T. CHANG

(Editor's Note: The author has been an officer in the Chinese air-force for three years. He joined before the outbreak of war at Shanghai. At present he is stationed in Chengtu whence This article was mailed May 15. The interesting study of figures and effects of air bombardments by the various Japanese forces, are the result of close observation both among the fighting troops at the front and among the civilian population behind the lines.)

DURING the past 33 months the Japanese air force has carried out extensive operations in this country. Even cities situated in the remotest corners of the Republic have not been free from the raids of Japanese bombing squadrons. During the period under review Nippon's air force staged a total of approximately 9,800 air raids and dropped over 14,000 tons of high explosives in various parts of China. To carry out such extensive air operations the objects of the Japanese militarists may be roughly outlined as follows:—

(i) To inflict heavy casualties on our troops by trench bombing and ground strafing so as to demoralize them.
(ii) To destroy our lines of communication.
(iii) To disorganize our economic life.
(iv) To make our mobilization or troop movements difficult.
(v) To cut off our connections between the front lines and the rear.
(vi) To break the morale of our civilian population.

Had the Japanese air force fully attained these objects, a different story would have been told of the present Sino-Japanese war, and even a partial success would have greatly weakened our power of resistance. Now the fact that the war which the Japanese High Commands at the very beginning thought to be a few weeks' walk-over is dragging on into the fourth year and that the Chinese are fighting it with renewed vigor furnishes an indisputable proof that Nippon's air force has achieved very little, in the present conflict.

Expense Incurred

Before proceeding with the subject the writer proposes to make a rough estimate of the expenditure incurred by the Japanese air force in the present war. The estimate may not be correct in every detail, but it is believed that if there is any inaccuracy, the error will be on the side of under-estimation.

Japanese air operations in the present war may be divided into two phases. The first phase covers the period between the commencement of the Shanghai hostilities and the fall of Hankow and the second phase from the fall of Hankow to the present (May, 1940). The number of planes employed by the Japanese varies with the nature of the operations and the theatres of war. During the first period it seems that between 500 and 600 planes of different types (heavy bombers and pursuits with a certain percentage of sea planes and light bombers for short range operations) were employed by the invaders and during the second period about 700 planes have taken part in the hostilities. So we may say that the average number of Japanese planes operating in the different theatres of war throughout the present struggle is in the neighbourhood of 600. Now to keep a fleet of 600 planes in first line service for a period of 33 months, the losses will be enormous. On our record we have destroyed nearly 1,000 hostile planes, but this figure represents only a small fraction of what the Japanese have lost or used up throughout the entire period. As a rule the useful period of a plane for first line service covers three to five months, but Japanese planes in China do not operate so briskly as those in the present war in Europe, and in the Japanese air force the normal life of a plane may last from eight months to one year. Estimating on this basis we may safely say that a fleet of 600 planes in first line service will require a regular monthly supply of 50-60 new planes (or a total of approximately 1,700-1,900 planes for the whole period of 33 months) to replace only those washed out for age, exclusive of those lost in combat and crashed in accidents. The inclusion of the latter two items will bring the total to well over 3,000 planes.

Poor Results

About 26 per cent of these planes are long range bombers, about 23 per cent light bombers, 24 per cent pursuits and the remaining 27 per cent scouting planes and ship-based sea planes. Putting the average cost of each plane at US$50,000 we should arrive at a total figure of US$150,000,000. To this must be added the sums spent on fuel and bombs and for the maintenance of the planes, and last but not the least, the cost of training the personnel to service and man the planes. A conservative estimate will put the total expenditure incurred by the Japanese air force in China over the whole period under review at something between 2 and 2.5 milliards of yen, which bulks disproportionately large in the Japanese War Budget in consideration of the poor results Nippon's air force has achieved. It is, therefore, apparent that to Japan her air force is a "white elephant", which drains heavily on her already depleted war chest.

Japan's air attacks on us may be divided into two kinds: (a) raids on

Ichang, strategic Yangtsze port and gateway to the Yangtsze gorges, as seen from the air. The port which fell on June 11 was claimed to have been retaken on June 17.—*Press Union.*

specific objects of military or semi-military nature and (b) indiscriminate bombing with the object of terrorizing the civilian population. The raids under (a) include the bombing of trenches and ground strafing at the front and the attacks on our aerodromes, railways, trains and railway junctions. Into this category also fall the attacks on our temples, churches, hospitals and institutes of culture and education, though these establishments are of no military value.

In the first stage of the war, that is from the commencement of the hostilities to the fall of Hankow, the Japanese confined their air operations more or less to attacks on specific objects as referred to under (a) above. During the fighting at Shanghai Japanese aeroplanes were very active at the front and in areas immediately behind the front lines, though the results they obtained were unsatisfactory. Their daily trench-bombing and ground-strafing failed to help their army to break through the lines of Chinese defenders until the latter were compelled to withdraw when their flank was threatened by the landing of fresh Japanese troops at Chapoo. As a result of such ground attacks the casualties sustained by our troops were incredibly small. At Pootung, for instance, where our artillery emplacements were located, the total losses among the combatants caused by aerial attacks amounted to less than half a dozen including both dead and wounded, although the place was subject to daily intense bombing and strafing for three months. (The casualties among the civilians were much heavier). In areas behind the front lines the aerial attacks were equally unsuccessful; they failed to attain their chief object, that is, to dislocate the traffic on the Shanghai-Nanking, Shanghai-Ningpo and Soochow-Kashing Railways which formed our principal lines communication on the Yangtze Delta. The strenous efforts made by the Japanese air force in its attempt to stop the traffic between Canton and Hongkong before the fall of Canton also proved fruitless. The following passage quoted from "The Military Strength of the Powers" by Max Werner shows the opinion of a neutral observer regarding the operations of the Japanese air force in the present fighting:—

Damage Wrought

"The Japanese air force has not succeeded in paralizing any vital centres (in China), and it did not even succeed in stopping traffic along the important railway line Hongkong-Canton, which has carried the greater part of arms, etc. China has imported, and it was left for the military occupation of Canton to accomplish it. In short the Japanese air force has not proved itself a decisive factor in any big battle, and in a very few months (by the Spring of 1938) the rapidly improvised Chinese air force showed itself quite a formidable adversary."

In this connection the writer wishes to add that in the Winter and Spring of 1937-38 the southern Section of the Canton Hankow Railway was subject to incessant bombing by Japanese sea planes but they could in no way hamper the traffic on that line. The attacks on the Tientsin-Pukow and other lines were equally ineffectual. The removal of our Government organizations, both civil and military, from Nanking to Hankow was carried out partly by railway via Hsuchow and Chengchow and the evacuation was effected without a hitch. This shows the inefficiency of the Japanese air force. But at the same time we must be fair to our foe by adding that it was rather a difficult task to dislocate by aerial attacks on our railways for any length of time. The important railway junctions and railway bridges were adequately protected by anti-aircraft batteries which could put on such a terrific barrage that no hostile bombing squadrons would dare to fly over them at low altitude. As to the bombing of railway track, it is always a useless attempt. Only a direct hit or a very near miss can damage a rail, and a damaged rail can be easily replaced by half a dozen workmen in a quarter of an hour or so. The futility of the enemy's attempts at dislocating our railway traffic by aerial attacks is further illustrated by his bombing raids on the Haiphong-Kunming Railway which are described by the China Weekly Review as "terribly expensive". The following passage on this subject is taken from the paper:—

Low Percentage Damage

"Japanese bombing raids have been terribly expensive, according to observers. In the case of the bombing of the Siaolungtang bridge, travellers counted 200 shell-craters alongside the tracks, but only one bomb scored a hit. In one case where a bridge was hit, it is still impossible to send locomotives across, but traffic is maintained by pushing the cars across and then attaching them to regular trains on each side."

The attacks on our air bases at Nanking, Manchang, Hangchow and Hankow resulted in very serious losses to the enemy, because he conducted these raids at a very heavy cost which is shown by the number of hostile planes brought down by either our pursuits or anti-aircraft batteries.

Now we come to the question of what effects indiscriminate bombing of civilian centres has produced in this country. Do they in any way help the Japanese in their prosecution of the war? To this question, the writer believes many would like to know the answer, because this is a tryout of the famous General Douhet's doctrine of "air frightfulness" which has obsessed the mind of many a European Statesman and strategist for more than a decade. Save that it was tried on a rather limited scale in Spain two or three years ago, the Japanese first made China the testing ground for the Italian General's theory. As China is not a highly industrialized country, she has no industrial centres to offer as objectives to the enemy's bombing squadrons, and the object of the Japanese in attacking our civilian centres is not so much to inflict material losses on us as to strike terror into the hearts of our people so as to break their morale. But the result is just contrary to what they expect. Instead of producing the desired result, the attitude of the Chinese people as a whole has since been very much stiffened against the invaders. Indiscriminate bombing of civilians has, to say the least, made every Chinese utterly war conscious. The hostile bomber has turned the people in the rear into enthusiastic war workers, and filled our recruiting stations with volunteers. Every hostile bombing squadron flying over the country-side serves as a reminder of Japanese frightfulness to the peasants who may take little interest in matters outside their sphere but are never oblivious of the duty of defending their own hearth and home. For instance, if Japanese aerial bombardment destroys the home of a civilian in the rear the latter will become a far more ardent supporter of the army than any hortatory official mandate can make him, and if a soldier at the front hears the news of the killing of his mother, wife or children in an air raid, he may be temporarily overcome with grief; but henceforth he will seek every opportunity to give vent to his grief whenever he has an encounter with the enemy.

Total Losses

Now let us review the total losses in life and property inflicted by Japanese airmen on civilian population over the whole period, that is, from the commencement of the hostilities to the end of March, 1940. The total number of air raids on record is 9,786, averaging nearly ten raids a day. According to our estimate over 43,000 hostile planes took part in these raids, during which a total of 142,000 bombs were dropped. If we put the average weight of each bomb at 100 kilograms, they will represent 14,200 tons, about half the number being dropped on civilian centers. As a result of these raids about 51,000 civilians were killed, and 65,000 wounded—and 215,000 *chien* of houses damaged or totally destroyed. These figures represent all that the Japanese airmen have scored in their indiscriminate bombing of our civilian centres during the past 33 months and should be entered into their account as profit. But to effect this and some unsatisfactory results of their attacks on our military establishments it has cost the lives of over one thousand expensively trained Japanese airmen (those killed by our pursuits and anti-aircraft batteries in enemy planes which managed to get away and those taken by us as prisoners of war not being included) several thousand aeroplanes (including those worn out in training and practice) and thousands of tons of high explosives. Now the writer would like to ask: On which side is the loss heavier? Would the Japanese High Command answer the question?

Cotton Speculator Loses $800,000 Takes Own Life

The disastrous effects German military successes have had on Shanghai speculators was hinted at in a Shanghai Mainichi report of Tuesday June 18, that Ting Chung-fang wealthy owner of the Hoh Kang Cotton Yarn and Raw Cotton Company had taken his own life the previous day after finding himself unable to make good financial losses of $800,000. The paper reported that Mr. Tang made heavy cotton purchases following the sharp decline of the local dollar May 2. His profits were wiped out to the extent of $500,000 when the dollar subsequently rallied. He lost another $300,000 when Germany invaded the Lowlands and sent the New York market down. The Mainichi reported that Allied defeats in Europe had caused local speculators to lose $250,000,0000 in the past few weeks. It stated that more than 20 Chinese cotton dealers have come to bankruptcy or the verge of bankruptcy as a result of the German victories.

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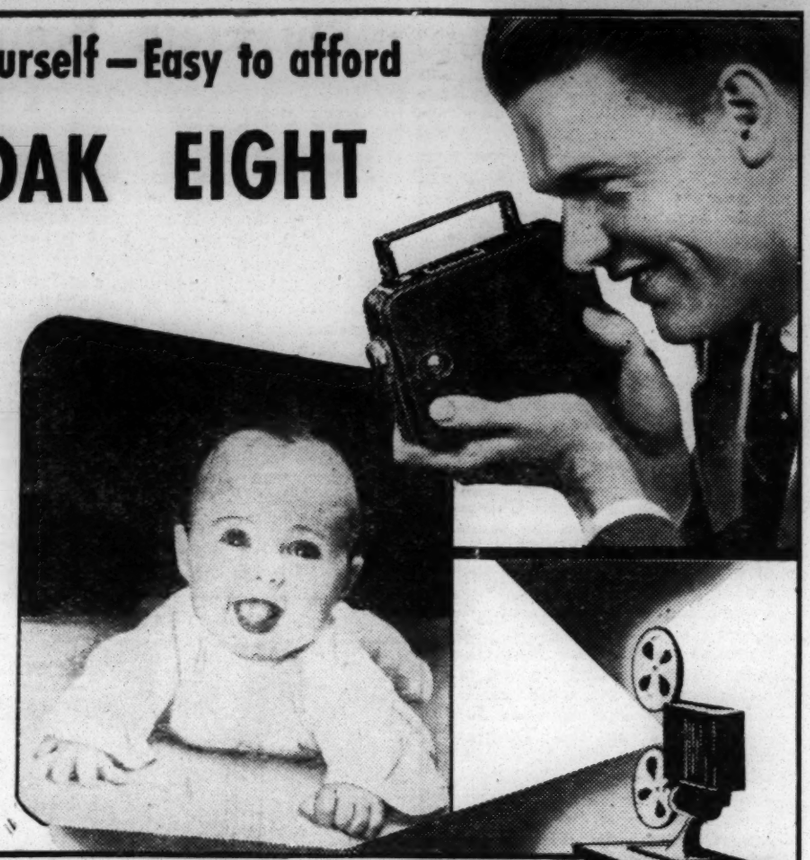

MOVIES WITHIN THE REACH OF MANY

Europe War Refugees Become Major Proble

The refugee problem continued a major one last week both for neutral powers anxious to evacuate their nationals from the European war zones and for the belligerent Allies.

The American ship s.s. Washington left Galway Ireland June 15 with 1862 American citizens "two minutes after the last luggage had been swung aboard" according to a Havas *report.* report. Belligerent nations were again warned not to molest the Washington on her trans-Atlantic passage. The liner had been stopped by a German submarine on her passage from Lisbon the same week.

On June 17 the Japanese Foreign Office decided on emergency measures to evacuate 350 Japanese subjects from Britain and another 60 from France. It was announced that two Japanese freighters now in European ports would be drafted into the refugee service while other vessels in the Mediterranean would take off Japanese living in Egypt. Two hundred Japanese meanwhile registered their determination to remain in England to protect their business interests.

On June 13 the U.S. Senate unanimously approved President Roosevelt's request for a U.S.$50,000,000 war relief fund to aid the hundreds of thousands of refugees in France. On the preceding day an inter-Parliamentary Committee was established in London to study means of sending British children to the Dominions in order to escape the dangers of war.

On that same day the United States extended the European war zone to include the Mediterranean Sea. American merchant ships are now forbidden to touch at any port in Europe with the exception of Portugal and the northwestern coast of Spain.

Status of Customs is Queried In Commons

Immunity of the Chinese Customs Administration from foreign interference was the subject of a question in the House of Commons on June 12 when an M.P. asked the government whether the Administration had been able to resist "foreign" encroachment. Mr. R. A. Butler, Under-Secretary of State for Foreign Affair replied that despite difficulties in the past three years the international service had been able to continue under the able administration of Sir Frederick Maze the Inspector-General. Mr. Butler added that the International Bankers' Commission ceased many years ago to exercise effective control over the Customs revenue. His interpolator thereupon asked: "Does the Under-Secretary realize this organization is the only foundation on which trade, shipping and finance rest in China and if any other foreign powers get hold of it British interests would be irretrivably destroyed?" Mr. Butler said the Administration's importance was fully appreciated.

Shibaura Plant Completes Huge Yalu River Generator

Designed to develop 120,000 kilowatts, an electric generator which is to be installed at the hydro-electric plant on the Yalu River in Manchuria, has been completed by the Shibaura Engineering Works, *Domei* reported from Tokyo on June 10. Constructed of materials produced in Japan, the generator, said *Domei*, is the world's largest, being more powerful than those in use at Boulder Dam and the new generator to be installed at the Grand Coulee Dam in the United States.

Lord Haw Haw's Brother Arrested by British

Frank Joyce, brother of William Joyce, who is the "Lord Haw-Haw" of German radio notoriety, was arrested in England on June 3 in the course of a general round-up of "Fifth Column" suspects. Others arrested were an Italian spy suspect, and Joe Beckett, former British heavyweight boxing champion. Continuing their precautionary measures this week, the British Government herded into concentration camps a large number of German refugees from Nazism who are 60 years of age and over. Hitherto these people had been allowed their freedom.

Japanese Continue "Blitzkreig" Bombing of Chungking Despite American Protest

Rumors that the current daily Japanese "blitzkreig" air bombings of Chungking—plus the success of the German "blitzkrieg" in Europe—had seriousy undermined the morale of official Chungking and might force the Chinese Government to seek peace with Japan—similar to the French Army in Europe—gained wide circulation in Shanghai early this week. The rumor, evidently emanating from Japanese sources, however, was discredited in informed Chinese quarters, pointing to the recent reaffirmation of China's policy of continued resistance to Japan by Foreign Minister Wang Chung-hui, regardless of the latest developments in the European situation. Nevertheless, there seemed to be an apprehension in some circles that the present vigorous Japanese drive up the Yangtsze from northern Hupeh, coupled with the unceasing air attacks on Chungking might cause a serious dissension in the Chungking Government which in turn might precipitate a collapse of the Kuomintang or an open split between the Kuomintang and the Chinese Communist Party.

General Chiang Kai-shek speaking at a meeting in the Chungking Kuomintang Headquarters June 17 declared that the Japanese claims of lightning offensives in northern and western Hupeh were ridiculous. At the same time Gen. Chiang saw the development of the European situation as favorable to China's war of resistance.

THE severe condemnation by U.S. Secretary of State, Cordell Hull, followed by a strong protest, lodged with the Japanese Government by the American Ambassador in Tokyo, Joseph C. Grew, has had no effect on Japanese aerial bombing of Chungking, which has been continued with ever-increasing fury and ruthlessness. After nearly three years of war experience in China, the Japanese seemingly have failed to realize that terrorization by air bombings as a means of intimidating China has been utterly futile. If terrorization could serve the purpose desired by Japanese warlords, China's resistance would have been broken long ago. The present destructive air raids on Chungking, as pointed out by the Chinese Foreign Minister, Dr. Wang Chung-hui, can only result in further strengthening China's determination to resist to the end.

Civilian casualties and property losses caused by the recent Japanese aerial attacks on Chungking were considerable. Many foreign establishments were also bombed and heavily damaged. Since the middle of last week, Japanese aircraft have carried out continuous raids over the city. In one of the heaviest and most destructive raids this year on June 16, some 150 Japanese planes rained at least 800 bombs on Chungking, causing an unestimated number of casualties and destroying more than 3,000 buildings in both the walled city and the capital's modern suburbs. Many new government buildings were demolished and the popular "Chungking Hostel," where most of the foreign visitors and newspapermen in Chungking resided, was completely destroyed by direct hits.

Indicative of the extent of damage wrought by the Japanese air attack, one entire business street and a residential district in the old walled city of Chungking were literally blasted to the ground. In this area alone, more than 2,000 houses were wrecked. Fires raged in many parts of the city and many streets were pitted with deep craters and filled with wreckage, hampering the movements of firemen and rescue workers.

For the fifth time in eight days Japanese bombers on June 17 attacked Chungking's suburbs in a mass night air raid. Three bombs landed 220 yards from the American Embassy and numerous incendiary bombs were dropped into the Yangtsze in front of the embassy, causing huge clouds of smoke. Two of the Japanese bombers were shot down by Chinese aircraft.

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During the Japanese raids on June 11 and 12, properties of many neutral foreign countries in Chungking were damaged. The Soviet Embassy was hit by a bomb crashing through its roof, while the office of the German *Transocean Agency* was completely gutted by a direct hit. Two American mission buildings, the headquarters of the American Bible Society and a chapel of the Seventh Day Adventist Mission, both located in the business section in Chungking, were seriously damaged, although the personnel of both institutions escaped injury. Each of the two raids was carried out by more than 100 Japanese bombers which showered on Chungking some 150 heavy caliber explosive and incendiary bombs. Chinese civilian casualties were estimated at more than 200.

The Japanese raiders were attacked by ground anti-aircraft guns and also engaged in combat by Chinese pursuit planes. Seven of the Japanese bombers were officially reported to have been shot down by Chinese fighters on June 12, while five others were brought down on June 10. Neutral press reports from Chungking indicated that the Japanese apparently intend to wipe out Chungking, as their aircraft has been systematically, thoroughly and continously bombing the city section by section.

The United States on June 13 lodged a protest with the Japanese Foreign Office over the Japanese bombings of Chungking in which American properties were endangered and damaged. The protest was presented in person by Ambassador Joseph C. Grew to the Japanese Foreign Minister, Hachiro Arita to whom the statement made by Secretary Cordell Hull was also submitted.

Under the pretext that Chungking authorities have established military positions in the vicinity of third Power interests so as to escape destruction in Japanese bombing raids, the Japanese Foreign Minister, Hachiro Arita, on June 13 warned the diplomatic representatives of foreign nations that the nationals of third Powers should withdraw to safety zones in the vicinity of Chungking in order to escape possible injury in Japanese air attacks. He promised that Japanese forces would not attack certain areas on the southern bank of the Yangtsze, opposite Chungking, but asserted that the Japanese Government cannot be responsible for

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injuries in any other sections of the neighborhood.

Japanese planes will continue to carry out their devastating raids on Chungking regardless of humanitarian protests from any quarter, declared the Japanese Foreign Office spokesman, Yakichiro Suma, in a press statement on June 17. He reiterated the declaration next day. It was apparently meant to be an informal reply to the United States Government's condemnation of Japanese reckless bombings of Chungking's civilian population. Mr. Suma said that the Japanese raids on Chungking which have taken a toll of hundreds of Chinese civilian lives in the past three weeks, would be continued until Japanese military operations have been completed. He revealed that talks were being carried on in Tokyo by Japanese and American authorities regarding the questions of clearer markings for foreign properties in Chungking and withdrawal of Chungking foreigners to the "safety zone" laid out by the Japanese on the south bank of the Yangtsze River.

Fighting between Chinese and Japanese forces in northern Hupeh continued with unabated severity last week. Ichang, important Yangtsze port and gateway to Szechwan, which was occupied by the Japanese on June 11, was claimed to have been retaken by Chinese forces on June 17. Official confirmation of the claim, however, was lacking. Japanese field dispatches alleged that as a result of the 12-day battle in northwestern Hupeh which resulted in the fall of Ichang, the Chinese army sustained some 18,000 casualties. More than 3,000 war prisoners were also claimed to have been taken.

In a weekly review of Japanese military activities issued in Nanking on June 15, the press section of the Japanese Forces in China announced that the week's operations were the first conducted in recent months covering all sections of the China front and claimed that the Japanese attacks "resulted in a drive faster than the much-publicized German blitzkreig." The review revealed that the military activities during the week included a large-scale offensive west of the Han River in Hupeh, the mopping up of Chinese Communist troops in southern Hopei, operations west of the Nanning-Yamchow Highway in Kwangsi and the successive air raids on Chungking. The communique asserted that the Japanese drives were not conducted for the purpose of occupying Chungking-held territories but "to break the enemy's power of resistance."

Mercilessly bombed by four waves of Japanese army aircraft, Chinese forces at Lungchow, pivotal point on the Chungking-French Indo-China supply route in the southwestern corner of Kwangsi, allegedly fled into French Indo-China last week, according to a Japanese report.

Chinese forces last weekend launched a counter-attack on Kinchow and Shasi, in western Hupeh. At a battle at Chailinti, southeast of Shasi, the Chinese succeeded in inflicting heavy casualties on the Japanese. The opposing forces were reported to be still engaged in sanguinary fighting southeast of Ichang.

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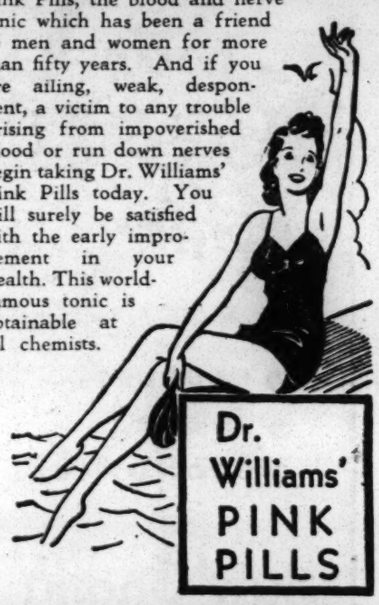

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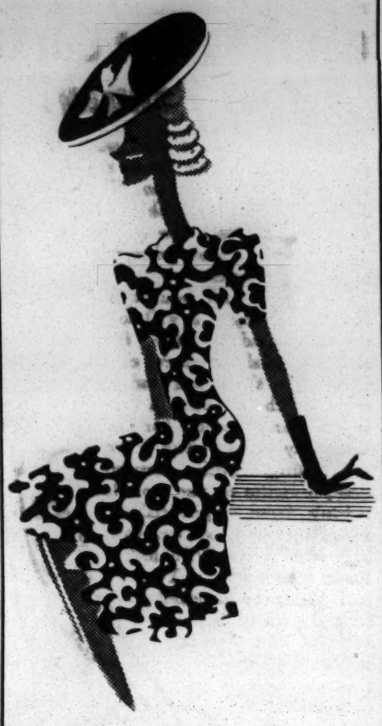

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On the Kwangtung front, Chinese forces recaptured Tsunghua, strategic city northeast of Fanhsien in Kwangtung, and Kaihow, south of Tsunghua, on June 12, according to Chinese reports.

Hangchow also furnished an item of war news during the week. *Domei* claimed that Japanese forces had inflicted a series of "crushing defeats" on the Chinese 192nd, 108th and other divisions in areas between Hangchow and Huchow, in Chekiang province. These Chinese units were alleged to have their base in Mokanshan.

Another Japanese story from Hangchow stated that sixty-six Chinese army officers and men, who allegedly surrendered to the Japanese at the beginning of last month, had been arrested by the Japanese Gendarmerie on suspicions of espionage. They were charged with planning the assassination of important Japanese and pro-Wang Ching-wei officials in Hangchow.

Ricsha Industry in Bad Shape Gets S.M.C. Aid

As a temporary aid to the Shanghai ricsha industry which is again in an "unsatisfactory state," the S.M.C. announced June 18 that hire charge on the public vehicles would be increased by 15 cents a day with effect from June 20. The Council will make a temporary additional grant to the Puilers' Mutual Aid Association of 50 cents per month per Ricsha. A special committee consisting of Messrs. E. F. Harris, Yulin Hsi, T. K. Ho, and Miss E. M. Hinder Chief of the Industrial Section and the ricsha control officer has been appointed to investigate the condition of the industry which has suffered from the rising cost of materials. "It is imperative that some relief be given to both the owners and the Pullers' Mutual Aid Association," the S.M.C. announced. The ricsha control officer is satisfied that the owners cannot carry on without some relief and an urgent request has been received from the Aid Association requesting their grant be increased by $1 per ricsha per month."

Gunmen Kill Chinese S.M.P. Superintendent

Mr. Liu Yung-kuei, 52 year-old S.M.P. Superintendent in charge of the Chinese branch of "C" division was shot in the back by an unidentified gunman while awaiting a tram on Avenue Road in the early morning of Monday, June 17. Police could attribute no motive to the crime which occurred at a busy street intersection but produced no important witnesses. A native of Wusih Mr. Liu had been with the S.M.P. since Graduation from St. John's University in 1908. He was transferred to the executive branch of the force on October 16 last year. Mr. Liu was the second Chinese S.M.P. superintendent to be murdered since the killing of Superintendena Loh Lien-kwei in August 1938. Superintendent Tan Shao-liang was murdered by politicial assassins three months ago.

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War In Europe Booms Shipbuilding In Japan

Reminstent of the Shanghai shipbuilding boom of the last Great war, Japanese yards are today flooded with orders from Europe *Havas* reported this week. To safeguard shipbuilding secrets the government has had to forbid construction of vessels of more than 9,000 tons. Great Britain, Siam and several Latin American countries are said to have placed orders in Japanese yards. The Communications Ministry which must pass on them all has reportedly shown itself favorable to the flood of work so long as Japan's own program is not jeopardized.

During the last war the Miyako reported June 18, Japan constructed more than 500,000 tons of ships for other countries. The paper predicted that some sort of agreement would be reached with purchaser countries to exchange scrap iron for ships.

The Nippon Yusen Kaisha's new 17,000 ton luxury liner Yahata Maru, sistership of the Nitta Maru, will undergo final tests at the end of July before being handed over to the N.Y.K. it was reported from Nagasaki June 18. Originally planned for service to Europe the vessel will set forth on her maiden voyage to San Fransisco about August 15.

The N.Y.K. line announced rerouting of its Europe-bound vessels from the Mediterranean via the Cape as of June 14. N.Y.K. boats on the Near East-Italy run will henceforth sail no further than Aden.

Eight N.Y.K. boats on the London line and three others on the Liverpool line will make their west-bound voyage by way of Cape Town and their return voyage via either the Panama Canal or Cape Town, it was also announced.

While financial observers in Tokyo declared this week's occupation of France by German armies would not affect the Japanese foreign trade which is almost non-existant where France is concerned, Japanese shippers were predicting a summer boom in trans-Pacific passenger commerce. One line announced its bookings sold out right up to the middle of August.

Hangchow College Raised To University Rank

Alumni of the Hangchow Christian College,, oldest mission institute in China, rejoiced when they learned Wednesday June 19 that their alma Mater had been accorded full University status by the Chungking Ministry of Education. Dr. R. J. McMullen, Ph.D. has been named acting president during the absence on leave of President Baen E. Lee. The "new" University soon to celebrate its 95th year, will have colleges of Arts, Commerce and Engineering. The University which has occupied premises in Shanghai since abandoning its Hangchow campus after the outbreak of war, will also have four new teachers when it opens in the fall. They are: Professor Ruf Hsu, civil engineering, Dr. William Tong, political science, and Professors C. C. Wang and Hsu An in Chinese history and Chinese literature respectively.

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Y.W.C.A. Describes Typical Girl

The Young Women's Christian Associations of the United States, at their annual meeting in Atlantic City, New Jersey, mid-April, elected Mrs. Harrison Elliott, national president.

Heads Y. W. C. A.

Newsweek

Mrs. Harrison Elliott

Mrs. Elliott is the wife of a professor at Union Theological Seminary, New York. She is an author and lecturer on women's problems, her books including, "The Sex Life of Youth," and "Women After Forty." The Y. W. C. A. in the United States now has more than 3,000,000 members according to the report. Mrs. A. G. Anthony of the Social Science Council of Columbia University sketched the typical American girl to the following effect:

Career: She is 25, lives at home, and has worked for five years since graduation from high school and business college. Her ambitions in recent years have changed from a desire to be a singer, actress, or flyer to getting married, finding a better job, and travelling and studying.

Habits: She likes to talk, dance, and go to shows. Every day she reads the newspapers, turning first to the comics, then to the front page. Among public figures she most admires the President and Mrs. Roosevelt.

Problems: The typical Y working girl wants to know how to impress people, acquire charm and good looks, keep thin, and find a husband (she bemoans the lack of "marriageable men"). Though a regular churchgoer, she finds religion "unreal." On the economic side, she can't understand how "surplus and dire want can exist at the same time."

*

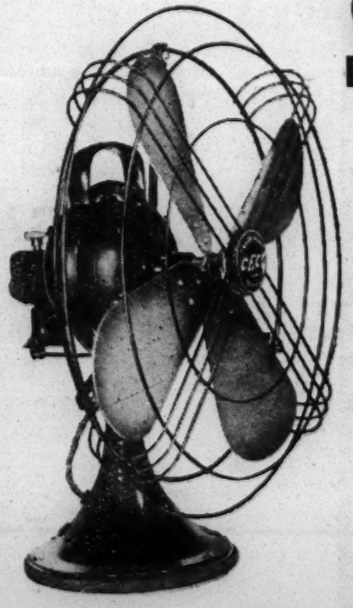
Members of the board and committee members of the Shanghai Y. W. C. A. were hosts to representatives of the foreign and Chinese press at a tea on June 12, the occasion being the launching of a campaign for funds for a Shanghai building for the International Young Women's Christian Association. The present building occupied by the organization has been sold and must be vacated by January, 1941. Mrs. Fisher Yu, chairman of the campaign committee, stated that they hoped to raise the sum of Ch.$500,000 for the new building, of which $300,000 would be raised locally and the remainder, $200,000 outside of Shanghai. Mrs. Yu is being assisted by Miss Lucy Chow, Mrs. H. T. Sung, Mrs. T. F. Wang and Mrs. H. S. Yue. Mrs. T. T. Liu, chairman of the board, spoke on the work of the local Association. The board includes Mrs. Milton Helmick, Mrs. Julean Arnold, Dr. F. L. Hawks-Pott, Dr. John Ferguson, Miss Eleanor Hinder, Dr. Alfred Sao-Ke Sze, Mrs. G. Finlay Andrews, Mrs. T. T. Liu, C. M. Shu, L. T. Wen, S. U. Zau and Mrs. Fisher Yu. The drive will extend over a period of three months and will be managed by 130 team captains.

Soviets Increase Oil Output on Sakhalin

The Russian population on Northern Sakhalin celebrated the 15th anniversary of the establishment of Soviet rule in that area on May 15. According to *Tass*, the intervening period has been marked by a phenomenal development of the resources of the Island, including oil, coal, the fishery industry, agriculture and cattle-breeding. Also many new manufacturing enterprises have sprung up in the region, according to the report. The leading industry, oil production, has increased its output 200% since 1928, the center being the new town of Okha, popularly known as the Far Eastern Baku. It was claimed that Soviet geologists recently have discovered new sources of oil which will greatly increase the Sakhalin output. The coal industry has increased 40% stated the report. New schools, to the number of 104 have been established in the Nivkhs and Evenks Indian tribe areas and hospitals have been opened in every village.

*

The Soviet aviation authorities announced on May 22, the completion and placing in service of the "USSR L-760" an all-metal 6-motor transport monoplane, which will carry 64 passengers. The plane is 34 meters in length, 7.7 meters in height and has a wing-span of 63 meters. The lounge, which seats 10 persons, is located in the front of the plane and can be converted into sleeping quarters at night. Four other cabins are located in the center of the plane, one serving as a restaurant. There are four sleeping compartments, each holding six persons, located in the wings. There is a crew of 8 persons in addition to the 64 passengers. It carries the most up-to-date equipment, including robot-pilot. All controls are manipulated by electric motors. Total flying weight is 40 tons, with a flight range of 3,000 kilometers and a cruising speed of 210 kilometers, stated the report.



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Two Russian Groups Functioning Here

An attempt of the Japanese army authorities to suspend the old Russian Emigrants Association, and create in its stead, a pro-Japanese organization, apparently has failed. According to reports in the local newspapers this week, Ch. E. Metzler, chairman of the original organization which has functioned here continuously for many years, has refused to resign. Recently the Japanese have brought pressure to bear on Mr. Metzler to resign. Since the Japanese are determined to proceed with their organization which has its headquarters in Hongkew, the result may be two organizations, one in the French Concession and the other in Hongkew. The Japanese-controlled body is headed by M. Sumanenko, former teacher in the Shanghai Russian School. Recently, Mr. Sumanenko issued orders to local Russians to register with his organization, otherwise they would be unable to obtain passport visaes to travel to Tsingtao and other northern Chinese ports controlled by the Japanese military authorities. An attempt of the Japanese-fostered body to stage an opening celebration at the new quarters at 409 Seward Road, Hongkew, was prevented by a strike of Chinese employed in decorating and reconditioning the place.

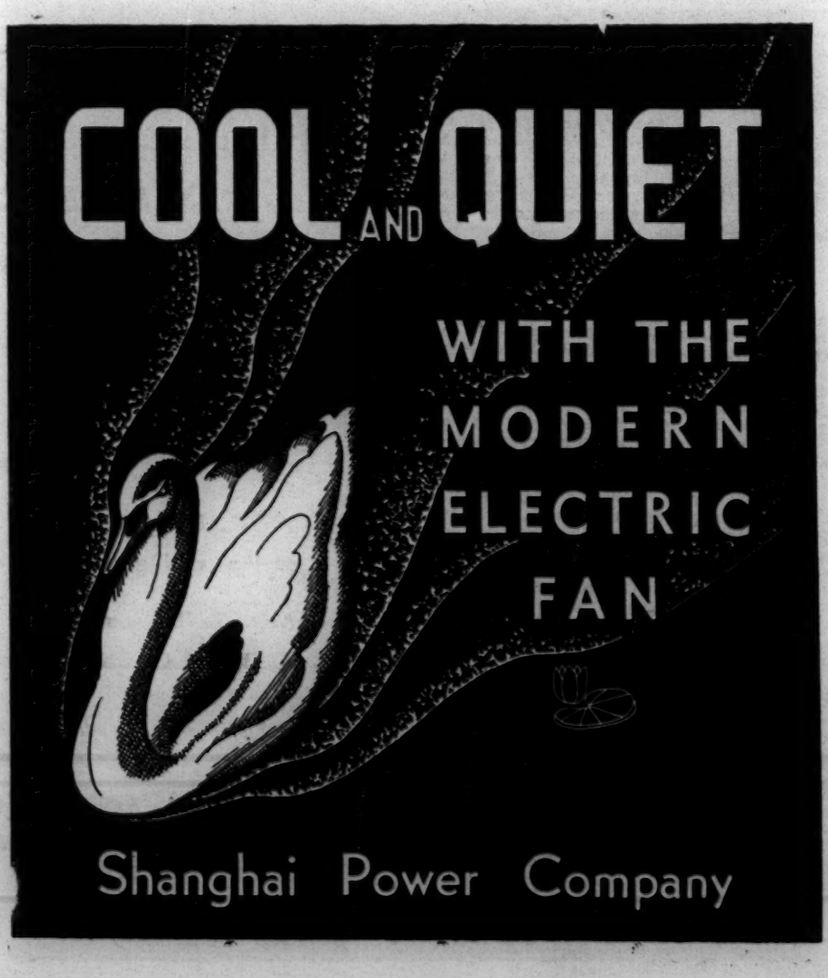
Pan-American Now Earns Good Profit

Pan-American Airways, which now operates services over both the Atlantic and Pacific oceans, reported a profit of US$1,984,438, according to report issued by Juan T. Trippe, president, on May 20. The profit was equal to U8$1.46 for each of its 1,361,964 capital shares, as compared with 3-cts. a share earned in 1938. Mr. Trippe announced, however, that the service across the Pacific was still conducted at a loss, but the loss had been reduced to US$200,000 for 1939 as compared with a loss of US$1,150,000 in 1938. The operation of China National Aviation Corporation, an associated company, continued "extremely profitable" according to the report. Pan-American received US$8,250,000 from the American Government for carrying mails and an additional sum of US$2,850,000 from foreign governments. Revenues from passenger fares, express and incidentials amounted to US$9,500,000. Connections had been maintained throughout the year across the Pacific and between Chungking, Hanoi and Rangoon, despite troubled conditions. Travel between San Francisco and Honolulu had greatly increased and had contributed greatly toward reducing the losses for the complete trans-Pacific service, stated the report. The year was most successful in the Company's history, the gross revenues amounting to US$20,610,930 as compared with US$16,072,958 for 1938.

Moral Rearmament Group Meets in Rangoon

More than 70 persons of 10 nationalities met in Rangoon from May 9 to 19 to consider the subject of Moral Rearmament as it affects the relations of people in the schools, homes, villages, cities and nations. Delegates were present from China, various places in India, including Peshawar on the Northwestern Frontier, Madras, Calcutta, various parts of Burma, the Nicobar Islands, Singapore, Hongkong and even Tokyo and one delegate came from Chungking by C. N. A. C. plane. Much was said about political and social conditions in Burma and there were delegations of both Karens and Burmese present. The Karens are a minority race of about 2,000,000 whose lot has been greatly improved in recent years. Schools are now being established in the Karen villages. Fourteen months ago Burma was in a state of political turmoil with serious conflicts between Indians and Burmese, but one Indian did much to adjust the situation by urging his follow Indians to identify themselves with Burmese life and aspirations. Opportunity was given for representatives of all groups and factions to express themselves. Among the speakers was Miss Ma Nyein Tha, famous Burmese woman educator who told of her recent visits to Shanghai, Hongkong and Chungking. The Chinese papers in Rangoon devoted much space to the Moral Rearmament Conference. There are 60,000 Chinese in Rangoon and about 300,000 in all Burma.

Left—Miss Sara Yao, delegate from Shanghai, standing with two Karen women. Right—Youths from various countries at the Rangoon meeting.



Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

May 14

Despite the latest developments in the international situation, China's foreign policy will remain the same and the fight against Japan will continue, declared Foreign Minister Wang Chung-hui in a nation-wide radio broadcast. Dr. Wang asserted that "China will resist Japanese aggression as vigorously as ever until the Japanese militarists atone for upsetting the peace and order of this continent."

Wang Keh-min, head of the puppet North China regime, reportedly offered by Wang Ching-wei the post of Nanking's ambassador to Japan, but declined the offer. Nanking said plotting to oust Wang Keh-min from Peiping.

***

May 15

Fighting in northern Hupeh now taking place in the vicinity of Tsaoyang, with Chinese forces attacking the highway between Tsaoyang and Tanghsiencheng. Chinese forces aided in their operations by torrential rains during the past few days.

The Finance Ministry in Chungking confirmed reports of the impending reorganization of the China Foreign Trade Commission. T. L. Soong (brother of T. V. Soong) mentioned as candidate for the chairmanship of the commission, succeeding K. P. Chen, head of the Chinese finance mission to the United States, who is expected to return to China shortly.

Japanese residents in Shanghai reported to be buying up hundreds of houses in order to strengthen the Japanese vote in next year's municipal elections, it was revealed in a case in the Shanghai First Special District Court involving a Japanese and a Soviet citizen with the former demanding the surrender of the premises which the latter had purchased.

***

May 16

Chinese claimed major victory in northern Hupeh. Twenty thousand Japanese troops reported surrounded in the Tsaoyang area, with the remainder of the Japanese forces retreating in the direction of Sinyang and Chungtsiang (on the east bank of the Han river). As the result of a fortnight's fighting in this area, Chungking military spokesman claimed that the Japanese had so far suffered 50,000 casualties.

Chinese forces captured (yesterday) Changtaikwan, Japanese base on the Peiping-Hankow Railway, according to an official Chinese army communique. Gen. S. Itagaki, Chief of Staff of the Japanese Forces in China, reported to have arrived at Hankow to direct operations in northern Hupeh in view of the reportedly desperate situation of the Japanese there.

Officially announced in Chungking that a new Ministry of Social Affairs will soon be created under the Executive Yuan to replace the present Department of Social Affairs of the Central Party Headquarters. The new Ministry scheduled to start functioning on July 1.

Huang Pin-yen, president of the puppet Wuhan High Court, wounded when attacked by several Chinese gunmen in an attempt on his life.

***

May 17

Chinese forces, at 7 p.m. yesterday, recaptured the strategic city of Tsaoyang, 150 miles northwest of Hankow, it was officially announced in Chungking. Japanese troops concentrated in Tsaoyang completely collapsed and were fleeing towards Suihsien, it was further stated. Chungking military spokesman denied the Japanese report alleging that Gen. Chang Tzu-chung, one of the highest Chinese commanders responsible for the Tsaoyang victory, had been killed in action.

Maj-Gen. Chung Yi, Commander of the 173rd Chinese Division, was taken prisoner on May 9 but "died shortly afterward from his wounds" received on the central China front, the Japanese army spokesman in Shanghai alleged.

Wang Keh-min refused to accept the post offered by Nanking as its first ambassador to Japan; announced that he will retire from public life.

***

May 18

The battle in progress between Chinese and Japanese troops in Central China is the most important since the fall of Hankow, said War Minister Gen. Ho Ying-chin in a speech at a special conference attended by military attaches of the foreign embassies and press representatives in Chungking. Gen. Ho declared that the victory in Northern Hupeh has served to encourage Chinese units on other fronts and as a warning to Chinese puppets.

Losses amounting to more than $35,000,000 were sustained by the Chinese Post Office since the beginning of the Sino-Japanese hostilities up to the end of June, 1939, according to information from the Ministry of Communications.

Wang Ching-chi, Chinese Minister to Poland, had a narrow escape recently, when German aircraft bombed a town near the French border where he stopped overnight on his way to Paris, according to information received by Chungking's Foreign Office. Minister Wang's wife and daughter were injured, while his chauffeur and a maidservant killed.

***

May 19

Japanese aircraft in three groups bombed the outskirts of Chengtu, capital of Szechwan, last night. The raiders were attacked by ground anti-aircraft guns and engaged in combat by Chinese pursuit planes. Details of the air battle yet unknown.

***

May 20

Five squads of Japanese planes raided Linagshan and the outskirts of Chungking in night raid. Six of the raiders claimed to have been shot down by Chinese planes.

Supporting the Chinese counter-offensive in northern Hupeh, the Chinese Air Force yesterday heavily bombed Japanese troop concentrations at Suihsien in northern Hupeh.

Chinese military authorities in Chungking officially announced occupation of Sinyang, important station on the Peiping-Hankow railway, in South Honan.

Authorized spokesman of the National Government denounced as "absolutely untrue and ridiculous" reports emanating from Shanghai to the effect that emissaries of the Chinese and Japanese governments were discussing peace terms at Hongkong.

The Japanese navy reported constructing a naval base on Hainan Island on the eastern end of the island in the Mencheong district.

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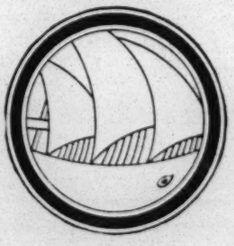
TRADE  MARK

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S.M.C. Publishes Interim Report On Cost of Living

An interim report on Foreign Cost of Living with provisional index figures was published Friday, June 14 by the Shanghai Municipal Council. The study is the work of Prof. T. Y. Tsha, Statistician attached to the S.M.C. Industrial Section. The excellent cooperation of families who have kept expenditure records made possible the compilation of the index figures the report stated.

The report contains indices for American, British, Russian and other national groups, together with a provisional consolidated foreign index. These separate indices were compiled to meet the view that "there is no single foreign cost of living" in Shanghai. Indices are based on the records of the first three months of the study, October-December, 1939, and figures showing relative living costs for eight months from October, 1939 to May, 1940 are included. It is shown that there has been a continuous rise in these months. A consolidated foreign index figure represented by 100 in October, 1939 has risen to 149.45 by May, 1940. The foreign cost of living has, therefore, risen by 49.45% since October, 1939.

The interim report was presented because of public concern with rising living costs. The study, however is only in its initial stages. It is vital that all present co-operating families should continue to record their expenditures till one complete year is over, the report stated.

British, Japanese Settle Tientsin Silver Problem

The Tientsin silver and related concession questions was settled between Great Britain and Japan June 11 under an understanding with the Chungking Government according to the *United Press* London office. A *Domei* despatch from Nanking two days later, however announced Chungking's displeasure with the plan and the capital's fear that Britain had tacitly withdrawn her aid from China.

The agreement was officially signed in Tokyo June 19 and the blockade of the concession lifted next day.

The reported terms of the agreement by which Britain reiterated her recognition of Japan's special interests in northern China were the following four points: (1) Allotment of £10,000,000 of the £85,000,000 worth of Chungking owned silver now held in the Tientsin British Concession, for drought and flood relief in northern China. The remaining £75,000,000 to be placed in a joint British-Japanese account in the Bank of Communications branch in the Concession. (2) Japan to lift her 13 month barbed-wire blockade of the Concession at once. (4) Japanese to "cooperate" with British inside the Concession in the suppression of terrorists. (4) British authorities to permit free circulation in the Concession of the Peiping Federal Reserve Bank notes along with Nationalist currency.

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Who's Who in China

Arthur P. L. Tsu, M.D.; born in Shanghai, Kiangsu, Dec. 28, 1908; B.S., St. John's University, Shanghai; M.D., St. John's University; M. Sc. (Med.) in Gastro-Enterology, Graduate School of Medicine, University of Pennsylvania, Penna., U.S.A.; Visiting Physician, Gastro-Intestinal Section of Medical Division, University of Pennsylvania Hospital; USA; now, Associate in Clinical Medicine, St. John's University School of Medicine; Chief of Gastro-Intestinal Service, St. Luke's Hospital, Shanghai; also in private practice in Shanghai; author of "The Effect of Methenamine on Biliary Infection. with Special Reference to The Hurst Regimen"; address: St. Luke's Hospital, 219 Kiukiang Road, Shanghai; or Room 404, International Dispensary Building, 221 Foochow Road, Shanghai.

朱寶麟

Arthur P. L. Tsu (Chu Pao-ling)

Another German Prince Killed on West Front

Prince Friedrich Wilhelm of Schleswig-Holstein-Gluecksburg was killed in action on the Western Front, according to announcement from Berlin on June 7. The Prince was 30 years old and a reserve officer in a cavalry regiment. He was the fourth German prince to lose his life in the present war.

Duke of Windsor Still Liaison Officer in France

Reports that the Duke of Windsor (the ex-King Edward of England who gave up his throne to marry Mrs. Wallis Simpson, an American) had resigned his post as liaison officer between the British and French forces in France, were formally denied June 8 by the British Ministry of Information. The German Transocean service, quoting rumors abroad in Berne, Switzerland, reported June 7 that the Duke had resigned and been succeeded by Brigadier-General Edward Spears.

Men and Events

Major V. E. Duclos, Canadian Trade Commissioner in China, departed from Shanghai this week aboard an Empress boat, to Canada on leave.

*

The Japanese monoplane Matsukaze returned to Tokyo on June 17 from a trip to Bangkok, inaugurating the new Japan-Thailand air service.

*

C. V. Starr, chairman of the Board of the American Asiatic Underwriters and W. T. Sullivan, president of the organization, departed for Manila on June 15.

*

Mrs. W. S. Leonard, an American, who resides at the Clements Apts., auctioned a basket of flowers at the French Club on June 13, for the sum of Ch.$1,000 which she donated to the French Red Cross.

*

Lin I-chung has been appointed Political Vice-Minister of Agriculture and Afforestation, according to action of the National Government at Chungking on June 14.

*

Frank Smothers, correspondent for *Chicago Daily News*, who has been in Netherlands East Indies for several weeks has returned to Shanghai and is staying at the Metropole Hotel.

*

Although the current count of the U. S. national Census has not been completed, it is known that the population has passed the 131,000,000 mark, according to a report of the Census Bureau this week.

*

Two Italian members of the French Tramway Company, which functions on streets in the French Concession, resigned from the Company on June 14, following Italy's entrance into the war.

*

The Most Reverend Raymond A. Lane of the Catholic Foreign Mission Society of America, was consecrated as Vicar Apostolic to Fushun, Manchuria on June 12, at a special ceremony held at Lawrence, Massachusetts.

*

Sir Archibald Clark Kerr, British Ambassador, departed from Chungking by C. N. A. C. plane on June 13, enroute to Hongkong and after a short visit there proceeded, with Lady Kerr to Shanghai. They probably will spend the summer at Peitaiho.

*

A *Reuter* report from London on June 15, referring to a reshuffling of British army officers following the collapse of the Norwegian campaign, stated that Major-General Telfer-Smollett, former Commander of British troops on Shanghai, had relinquished his appointment as a G. O. C.

*

A. M. Dillon of Shanghai, pilot-officer in the British Air Force, was reported as missing in the casualty list published by the Ministry of Air in London on June 16. The list had 297 names, including 23 officers and airmen killed in action.

Hialmar Collin, Danish Ambassador to China and Siam, arrived in Chungking on June 12 from Kunming by C. N. A. C. plane. He was met by Ling Chi-han, chief of the social affairs section of the Ministry of the Ministry of Foreign Affairs and was scheduled to present his credentials to Dr. Wang Chung-hui, Foreign Minister, shortly.

*

The action of the Soviet Government in settling several thousand Russian colonists on Diomede Island, located in the center of Bering Strait, only five miles from the American-owned Little Diomede Island, has aroused serious alarm among the Esquimo population in Alaska, according to Anthony J. Diamond, Alaskan delegate in the U. S. Congress.

*

According to the *Sin Wan Pao* (June 15) thirty Chinese doctors and twenty nurses departed from Shanghai for Haiphong on their way to Chungking for special medical service at the front. Some 30 Chinese students also departed from Shanghai for the interior in order to engage in various war services, according to the report.

*

The Nanking Theological Seminary, which has been located in Shanghai since the Japanese occupation of Nanking, held its annual Commencement exercises at the Chinese Y.M.C.A. on Boulevard de Montigny, French Concession on Tuesday morning, June 18. The address was delivered by the Rev. T. Ting-fang Lew of Yenching University.

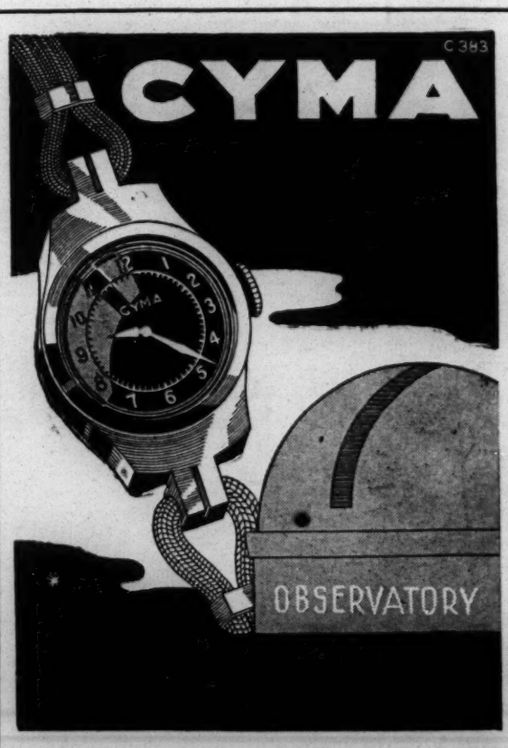
The U. S. Securities and Exchange Commission at Washington ruled on June 13 that the Chinese Benevolent Association, which has been raising funds in the United States, must either register with the Commission, or cease selling Chinese Liberty Bonds. According to *United Press* report, the Association has sold US$600,000 worth of bonds, the proceeds of which have been turned over to the Bank of China for transmission to China.

*

A new educational institution, to be known as the Kiangsu-Anhwei College of Political Science, will be inaugurated in northern Fukien next autumn, according to action of the Ministry of Education at Chungking on June 15. The school will provide instruction for students who previously pursued their studies at colleges and universities in Kiangsu and Anhwei. Preparation for the inauguration of the institution are being made jointly by the provincial departments of education of Kiangsu and Anhwei. The school will have two main departments, Arts and Law.

*

A new wing will be constructed to the Administration Building of the Shanghai American School this summer, according to announcement of the Board of Governors this week. The addition will be two stories high and will provide four new class rooms and an auditorium for study and assemblies. Work is also being rushed on a new girls' gymnasium, which has been under construction for some time. All of the buildings on the campus will be repaired and painted in the summer vacation.



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After inoculating some 200,000 Chinese in the Hongkew area against cholera, between June 3 and 10, the Japanese military authorities suddenly decided to halt the campaign, according to the Japanese paper, *Tairiku Shimpo* on June 14. The report stated that the Japanese authorities might start inoculating again "without previous warning," but it was recommended that the carrying of inoculation certificates was advisable.

•

Miss Ruth Nichols, a well known American aviatrix, announced on June 13 at New York, that she was promoting an organization known as "Relief Wings," which would raise funds for the purchase of airplanes to be used for humanitarian purposes in China. It was estimated that the first plane, equipped to carry anesthetics and other medical supplies from blockaded ports to the interior of the country, would cost approximately US$150,000.

•

The famous "Jacquinot Zone," an area of Nantao adjacent to the French Concession, which was set aside for the housing and protection of large numbers of refugees at the outbreak of hostilities in 1937, will be liquidated at the end of the present month, according to recommendation of the supervisory committee this week. Able bodied refugees still in the camp will be sent back to their home districts. The hospital work, however, will be continued by the committee. Fr. Jacquinot, originator of the Zone and chairman of the Committee, departed for Europe last week.

•

Frederick B. Snite, Jr., who became ill of infantile paralysis while travelling in China several years ago and was treated for many months in an "Iron Lung" at the Rockefeller Hospital in Peiping, has recovered sufficiently to walk a few steps, according to United Press report from Chicago on June 13. Mr. Snite, who is now 29 years old, was married several months ago and recently it was announced that he would become a father in September. Mr. Snite became ill in Peiping on April 1, 1936 and immediately was encased in a large steel tank for respiratory purposes. He was finally transported to the United States in the tank and travelled in it over the country and once made a trip to Europe to obtain special treatment and visit a catholic spring and shrine.

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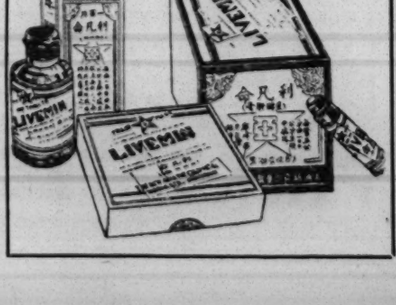

The Rev. F. L. Hawks-Pott, venerable President of St. John's University, presided at the annual Commencement Exercises on the campus of the institution at Jessfield, this week. He was assisted by the Rev. F. A. Cox, the Rev. M. H. Throop and the Rev. Li Cheu. Each of the 137 University graduates and 102 Middle School graduates was presented with a copy of the Holy Bible.

*

E. E. Barnett, Executive Secretary of the International Committee of the Y. M. C. A. of United States and Canada, who is visiting here, was guest of honor at a dinner given by the Chinese Y. M. C. A. at the headquarters on Boulevard de Montigny on Monday evening, June 17. Mr. Barnett was connected with the Y. M. C. A. in China for several years prior to his return to the United States.

*

The trustees of Staley College of the Spoken Word, located at Brookline, Mass., voted on May 2 to confer the degree of D. A. O. (Doctor of the Art of Oratory) upon Robert L. Ripley, famous for his "Believe-It-Or-Not," and Dr. Tehyi Hsieh, director of the Chinese Service Bureau of Boston. The degrees were conferred upon Messrs. Ripley and Hsieh by President Delbert Moyer Staley. Those present at the ceremony included the Governor, Leveret Saltonstall, Mayor Maurice Tobin, the Very Rev. Prov. Dr. James D. McDermott, O. M. I., Rabbi Kalman Friedman and Senator and Mrs. Edward C. Carroll. Dr. Hsieh, whose recent book, "Confucius Said It First," has been widely read, was scheduled as guest speaker at Staley commencement this spring.

*

Dr. R. E. Brown, for many years head of the General Hospital at Wuhu, Anhwei Province, departed for United States last week. He was accompanied by Mrs. Brown, who has been associated with him in the operation of the Wuhu hospital, one of the best known institutions in China. It is operated under the auspices of the Methodist Episcopal Church. Recently Dr. Brown made a survey of the malaria-infested areas along the Yunnan-Burma frontier on behalf of the Rockefeller Foundation, which has financed a campaign for the eradication of the disease.

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Capt. Erich Von Salzmann, for many years a well known German correspondent in Peiping, who returned to Europe some time ago, has returned to the Far East and is now in Tokyo with his family. Capt. Von Salzmann came to China originally at the time of the Boxer Rebellion. Recently he represented a German news agency in London. He is the author of several books, including novels with Far Eastern settings.

*

The Paris edition of the *New York Herald-Tribune*, published in the English language, was the only newspaper in operation in all Paris when the Germans entered the French Capital, according to *Transocean* dispatch on June 13. The German report stated that the paper was selling like "hot cakes." The Paris edition of the *Herald-Tribune*, issued by American newspapermen, has been widely read by American tourists for many years.

*

Gabriel Lax, 48-year old Polish refugee in Shanghai and said to be a former police commissioner in Poland, prior to the German and Soviet occuation of that country, was sentenced to three months imprisonment by the Chinese First Special District Court on June 15. It was brought out at the trial that Lax had opened an "attorney's" office at 277 Liayon Road, where he counterfeited the police seals of the International Settlement for the purpose of enabling Jewish refugees from Germany to land here. He also was charged with presenting false documents to the European Jewish Immigration Committee, his object being to enable a German Jewish family to come to Shanghai. Mr. Lax stated that his desire to enable the people to get out of Germany had caused him to counterfeit the municipal seals. C. S. Bang, assistant municipal advocate recommended suspension of the sentence for two years, which was granted.

*

The June issue of *Asia Magazine*, just received in Shanghai, contains an announcement of a "China Essay Contest," wherein prizes to the amount of US$5,000 are offered to students in colleges and universities of the United States for the best essays on the subject, "Our Stake in the Future of China." The first prize is US$1,200, plus a trip to China by Clipper Plane. Second prize is US$750; third prize US$500 and 34 other prizes, including a donation of US$300 to the institution from which the winning essay is submitted. The money is to be used for the purchase of books on Far Eastern Affairs. A further award of US$500 will be given to the college papers that print the best stories of the contest. The judges of the contest include, Dr. James Rowland Angell, Pearl S. Buck, Henry R. Luce, Mrs. William Brown Meloney, Roy Chapman Andrews, Theodore Roosevelt, Dr. James T. Shotwell, Senator Elbert D. Thomas, Lowell Thomas, Alexander Wolcott, Admiral Harry E. Yarnell. The contest was scheduled to close on June 30, according to the announcement.

In the United States Court for China

UNITED STATES OF AMERICA, vs. KARATZAS BROTHERS, FEDERAL INC., U. S. A., George D. Happer, Roy G. Allman and Emil S. Fischer, Trustees, Defendants.	Cause No. 4470 Civil No. 2349 Filed at Shanghai, China, June 11, 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is to recover a judgment against the defendants for Federal income and excess profit taxes for the calendar years 1937 and 1938, aggregating $5,102.16, United States Currency, together with interest thereon at 6% from November 2, 1939, and to have judgment of condemnation of certain property of the defendant, Roy G. Allman, levied on under attachment issued in this suit to satisfy the plaintiff's claim.

IT IS THEREFORE, on this 11th day of June 1940, ordered that the defendant, Roy G. Allman, appear in this Court on or before the fortieth day, exclusive of Sundays and legal holidays, after the day of the first publication of this order, to defend this suit and show cause why said condemnation should not be had; otherwise the suit will be proceeded with as in case of default.

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Milton J. Helmick,
Judge,
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New Books of Interest in the Far East

Inevitable Clash

NO COMPROMISE: THE CONFLICT BETWEEN TWO WORLDS — By Melvin Rader, Department of Philosophy, University of Washington. Preface by Harold J. Laski. London, Victor Gollancz, Ltd., 1939. 381 pages, notes, index.

Dr. Rader has taken Mussolini's statement "The struggle between two worlds (Democracy and Fascism) can permit no compromise" as a challenge to the democracies, a challenge which has developed into the present European War following upon that ill-fated attempt at appeasement, the Munich Pact.

The question which concerns the world today is this: What sort of a society is to emerge from the present conflict? One of the marked differences between the present European war and the war of 1914 is that the ideology of each side has been well developed prior to the war. The democracies have been less vocal in expressing their "articles of faith" than the Fascist states, but such books as the one under review show the philosophical basis for the two points of view.

It is well to have such a man as Harold Laski say in the preface, "If ....we are seriously to seek the overthrow of the Hitler government, we must deal with its causes; and these lead us straight to a thoroughgoing reconstruction of the national and international order to which we belong." Let this thought be held in constant remembrance during the conflict and the period of peace-making. We must recognize that Fascist countries have certain grievances, whether real or imaginary, which have won them an effective measure of support. Dr. Rader analyzes these grievances and puts forward the necessity for action within the democracies themselves.

The greater part of the book discusses the theoretical and practical working out of Fascism. A knowledge of the background of Facsist thought is necessary to a real understanding of the problem. It is just here that Dr. Rader's philosophical training is most useful. This section of the book is carefully documented with specific references to speeches of Hitler, Mussolini, their accepted spokesmen and neutral authorities.

The position which the United States is to play in the "inevitable clash" is considered by Dr. Rader to be equal to that of Great Britain. "No aggressor can hope to win in the end if we refuse them the aid of American trade and credits and amply extend such aid to their victims. President Roosevelt's words are quoted to bring the book to a hopeful end: "The ultimate victory, the ultimate victory of tomorrow is with democracy....for no people can be kept eternally ignorant or eternally enslaved."

F.M.R.

Bibliography

RECENT BOOKS ON INTERNATIONAL RELATIONS—Compiled by Robert Gale Woolbert. N.Y., Foreign Affairs, Jan. 1940. 19 pages, paper.

This bibliography is prepared and issued four times a year by Foreign Affairs, an American Quarterly Review. It is primarily issued for member institutions of the International Studies Conference, in accordance with a resolution of the 1929 Conference held under the auspices of the League of Nations' Institute of Intellectual Cooperation. However the bibliographies are very useful to those who wish to keep abreast of recent books in this field, for each title is followed by a brief critical comment.

The books are divided into groups: general, the World War, the U.S., Eastern Europe (which always numbers many books on Russia), Western Europe, British Commonwealth of Nations, Near East, Africa, Far East, Latin America. Books relating to the Far East listed in this number are: Abend, Chaos in Asia; Russell, The House of Mitsui; Labrouquère, Capitalisme Japonais; China Weekly Review, Japan's War in China, 2 vols.; Crow, The Chinese are Like That; Reitlinger, South of the Clouds (a trip through Yunan); Robequain, L'Évolution Économique de l'Indochine Française; Gelderen, The Recent Development of Economic Foreign Policy in the Netherlands East Indies; Goicoa, Jápon en la Argentina; Goldsmith, The Trail of Opium.

Wisdom From Mud

WAR AND SOLDIER — By Ashei Hino. Translated from the Japanese by Lewis Bush. London, Putnam, 1939. 579 pages.

It is unfortunate that an English publishing house should permit a translation of this kind to go out from them without some information regarding the author and the circumstances surrounding its publication. The book purports to be the record of a "certain Japanese soldier," Hino, on "a certain ship" and in "certain parts of China" during the present undeclared Sino-Japanese war. The book is divided into four sections: Mud and Soldier, Flower and Soldier, Wheat and Soldier, Sea and Soldier. The areas in which the soldier finds himself are around Hangchow, Nanking, North of the Yangtze and in Canton in 1938. In the last two sections of the book Hino is no longer a soldier, but a member of the Army Press Bureau.

Throughout most of the book there is a simple sentimentality which rejoices in the beauty of a sunset or the fragrance of a flower, there is a simple naivite in which Hino sees himself and his comrades both as heroes and martyrs and all the Chinese civilians as harmless and friendly creatures desirous of Japanese aid. The "greatness of our people's hearts" does not enable him to see that the

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ACADEMIC CALENDAR

1940-1941

End of Spring Term—
Friday, June 7, 1940.
Opening of Summer Term—
Monday, June 24, 1940.
End of Summer Term—
Friday, July 26, 1940.
Opening of Autumn Term—
Monday, October 7, 1940.
Thanksgiving Holiday—
November 28, 29, 1940.
End of Autumn Term—
Friday, December 20, 1940.
Christmas Recess—
Saturday, December 21, 1940 to Wednesday, January 1, 1941.
Opening of Winter Term—
Monday, January 6, 1941.
End of Winter Term—
Friday, March 14, 1941.
Opening of Spring Term—
Monday, March 17, 1941.

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"It seemed ludicrous, "he writes in the midst of a bombardment, "that pieces of steel and powder were able to stamp out precious lives with impunity and I often found myself seething with a rage which I found hard to control.

"Years of worry, anxiety and hope had gone into bringing everyone of us to manhood; parents, wives, children, whom the men never tired talking about and even dream of, longed for the day when their loved ones would return, with radiant hopes for the future; yet all this was wiped out in a second by a bullet or shell."

There is, surprisingly enough a sense of humor betrayed in the book. The men in the first squadron become familiar figures, particularly the joker, the fat one and the one who is always falling into creeks and ditches. There is even the injunction of Commander Hasegawa: "It is needless for me to tell you that you must not engage in looting. Do nothing that may be misunderstood. Even should you see rice on the road, you must not pick it up."

The preoccupation of the author with the natural bodily functions, as described in this book, may explain some of the strange actions of the Japanese troops in this country.

F.M.R.

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Disillusion

LET MY PEOPLE GO — By Cedric Belfrage, London, Victor Gollancz, Ltd. 1940. Cloth, 319 pages.

This is a novel which has as its theme the relation and responsibility of the Church as an organized body toward the problems of capital and labor. The political background in Tennessee and Arkansas is unfortunately too true. The first part of Claude Williams' ministry takes place in Tennessee where the negro question and the anti-evolution law of the state give point to much of the theme. The second part of the book is laid in Arkansas where negroes, sharecroppers and unemployed miners need the ministry of the church.

As he experiences the needs of his community, Williams changes his fundamentalist message to emphasis upon the social gospel and finally throws himself completely into socialism and communism as a means of carrying out the teachings of Christ.

No complete picture of the Christian religion can be built up from one novel, nor yet a complete picture of communism. However, it is important that a book such as this has been chosen by the Left Book Club of England as one for study and discussion. The quotation which introduces the theme is this:

"Merely to deny religion is futile. It is a dialectical result of man's essential nature being negated by material conditions of life." Marx.

Members of the Christian church need to study carefully the implications in this novel, for it is written in a spirit of disappointment and of questioning, rather than of destruction.

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